

# IN THE COURT OF THE TRANSPORT TRIBUNAL

IN THE MATTER OF THE APPLICATION (1955 No. 5) MADE BY  
THE BRITISH TRANSPORT COMMISSION IN PURSUANCE  
OF SECTION 23 (5) OF THE TRANSPORT ACT, 1953

## FOR THE ALTERATION OF THE BRITISH TRANSPORT COMMISSION (PASSENGER) CHARGES SCHEME, 1954

TUESDAY, 21ST JUNE, 1955

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FOURTH DAY

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# PROCEEDINGS OF THE TRANSPORT TRIBUNAL

TUESDAY, 21st JUNE, 1955

PRESENT :

HUBERT HULL, Esq., C.B.E. (*President*)

A. E. SEWELL, Esq.

J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., and Mr. E. S. FAY (instructed by Mr. M. H. B. Gilmour, Chief Legal Adviser to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr, Solicitor to the London County Council) appeared on behalf of the London County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the Middlesex County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the Essex County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the Surrey County Council.

Mr. DUDLEY COLLARD and Mr. A. K. TWADDLE (instructed by Mr. E. R. Farr, Town Clerk) appeared on behalf of the Barking Borough Council.

Mr. DUDLEY COLLARD and Mr. A. K. TWADDLE (instructed by Mr. E. R. Farr) appeared on behalf of the South Essex Traffic Advisory Committee.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. A. McCarlie Findlay, Town Clerk) appeared on behalf of the Wanstead and Woodford Borough Council.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. D. J. Osborne, Town Clerk) appeared on behalf of Leyton Borough Council.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. G. A. Blakeley, Town Clerk) appeared on behalf of the Walthamstow Borough Council.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. J. W. Faulkner, Clerk to the Council) appeared on behalf of the Chigwell Urban District Council.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of the East Ham County Borough Council.

Mr. GEOFFREY RIPPON, M.P., and Mr. ALISTAIR DAWSON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of the West Ham County Borough Council.

Mr. GEORGE MERCER (instructed by Messrs. Carpenter Wilson and Smith) appeared on behalf of the London Passengers' Association.

Mr. ARCHIBALD GLEN, Town Clerk, appeared on behalf of the Southend-on-Sea County Borough Council.

Mr. F. A. RULER, represented the Federation of Residents' Associations in the County of Kent.

Mr. H. J. A. KNOTT, represented the Barons Court Liberal Association.

(Mr. Mercer): Sir, with reference to your question yesterday concerning London Passengers Association, I am informed that the last Annual Report to members and the last audited balance sheet together with a list of the members up to date—that is further than the date

of the last annual report—will be available during the day and, of course, you can have a copy. I am instructed that the constitution was lodged with your office some years ago.

Mr. DAVID McKENNA, recalled.

Cross-examination by Mr. GEOFFREY LAWRENCE, continued.

863. Mr. McKenna, if we may pick up the threads of the argument yesterday when the Tribunal adjourned, may I recall to your mind the derivative calculation which I put to you in order to suggest that the amount which had been recovered by way of revenue as a result of the increased fares in the year 1954 for the 97 days from 26th September to 31st December was only £0.7m. instead of just over £1m., as your calculation seemed to indicate; do you remember that?—Yes, I remember it.

864. I do not want to go over again either of the tests I put to you to elucidate that figure, but I want to take up the objection you made to the validity of that test, if I understood it rightly. Taking the first test, you remember I contrasted periods 11, 12 and 13, the budgetary figures for those periods, with the actual receipts?—Yes.

865. You will remember that you took objection to that method of finding a result by saying that a mere comparison of the budgetary figures with the actual figures took no account of any fall in the volume of traffic. Was that the point which you were seeking to make?—Yes. The point I was seeking to make was that the validity of the argument which was being put to me was based upon the assumption that the budgetary figures were in fact being realised, or, if there had been no increase in fares, the budgetary figures would have been realised.

866. That is, I think, precisely the point, and it is upon that point I desire your assistance now; but before we come to that, I want to get this clear: the budgetary figures themselves contain a discount of 1 per cent. for fall in traffic in 1954 as compared with 1953; do they not?—Yes.

(President): Mr. Lawrence, can you remind me which was the table in the 1954 Inquiry that we are using?

(Mr. Harold Willis): 709, page 166 in the transcript.

867. (Mr. Geoffrey Lawrence): I am afraid the following up of this point will also involve putting to you certain figures and calculations, but I hope I shall make things as easy as possible and that you will be able to follow; but if at any stage you do not follow what I put to you, please tell me?—Yes, I will.

868. What I am going to do, with your help, is to test the validity of your counter suggestion that the budgetary figures themselves are not a reliable basis of comparison with the actuals for 1954. I am going to do it in two ways. I am going to suggest, first of all, that on the figures we find no significant decline in the volume of traffic in the period before the introduction of the increased fares on the 26th September; that is to say, for the period 1st January to 25th September. Secondly, I am going to suggest that if you look at 1954 as a whole you will find—if you look at the thing properly—that the estimates were substantially

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Mr. DAVID McKENNA

[Continued]

realised?—I am afraid that I do not accept either of those propositions.

869. I know you do not, because if you did accept them, of course, your counter argument would fall to the ground, would it not?—If I accepted them, I think my argument would not be sound.

870. I know. I am going on the basis of some figures which I am going to put to you to try and persuade you to accept them. Let us now look at the budget for 1954; that is BTC 709, page 166. If I take the first eight monthly periods up to 12th September, which are the eight completed monthly periods before the introduction of the new fares, disregarding the odd days of the broken period in September, will you take it from me that the aggregate of the budget up to that time was £48-843m.?—Is that not nine periods?

(President): It is nine periods, is it not, Mr. Lawrence?

871. (Mr. Geoffrey Lawrence): I am very sorry; it looks like nine, Sir, but I am afraid there are only eight on my document. Anyhow, whether it is eight or nine, Mr. McKenna, up to 12th September the aggregate of them is £48-843m.?—I take it from you.

(President): It is £48-843m.

872. (Mr. Geoffrey Lawrence): The actual receipts for the same period, some of which are gathered from BTC 709 and some of which are gathered from other documents—I am afraid I must ask you to accept this figure too, but it is pure arithmetic—are £48-012m. In order to make a valid comparison, I would have to adjust those actual receipts for certain factors which deflated them below what might reasonably have been accepted, the sort of matters we were discussing yesterday; and the first upward adjustment I suggested should be made was the weather adjustment, for which we took, for the purpose of argument, the sum of £3m.?—I do not think the weather was necessarily confined to those nine periods.

873. Forgive me, if you just pause here to raise that point. The weather element had its worst effect in the spring and the summer on your traffic?—I would say that part of the weather element is appropriate for the summer.

874. If I can find the answer without undue delay.

(President): Are you looking for 285 "particularly in the summer"?

(Mr. Geoffrey Lawrence): I am much obliged. (To the Witness): Mr. McKenna, this is your own answer at 285: "Offset to some extent by the effect of abnormally bad weather in 1954, particularly in the summer, which in our view depressed the receipts of 1954 rather below what we might have expected in a normal year"?—Part of it, I would agree, is attributable to the summer; I would even say a major part of it.

875. Let us not argue it any more; we can see what has been said and what I am suggesting. Therefore, I suggest the first upward adjustment to the £48-02m. is £0-5m. Then there should be an upward adjustment by way of the reductions due to decreased mileage run, because that was a factor that effected the receipts, was it not?—Mileage always will affect receipts to some extent, yes.

876. I suggest the figure to be put there is £0-1m.?—Well, that is your figure.

877. I have to prove this case, but I must put it to you, you see. It is £0-1m. And then you should add a figure of £0-8m. for clearance, which is the difference between the amount provisionally included in the receipts of £0-620m. and a proportionate part of the year's figure of £0-7m.?—Yes.

878. It is a small matter upon which I do not propose to take time debating, but I ask you to add it in for the moment. That will give you an adjusted figure of actual receipts over those first nine monthly periods of £48-692m.?—Yes.

879. If you deduct that from your budget for those nine monthly periods of £48-843m., you will find that the short fall is only £0-151m., or, expressed as a percentage, it is about 0-3 per cent., which I suggest is trivial. First of all (I do not want to hurry you because you must be given an opportunity to work it out) do you understand the exercise?—I do.

880. If it is right, it seems to test the position, does it not, over those first periods in the year as to the extent to which the adjusted actual receipts fell short of the BTC's budget, which itself included the discount of 1 per cent. for fall in traffic?—In so far as those figures can be accepted, it would be some test of the measure of correctness of the budget estimates.

881. Yes. I would ask you to accept the arithmetical part of it. I have no doubt those behind you will check it?—I will accept the arithmetical part of it.

882. Now may I pass to the second test which I want to apply on this matter of the decline in the volume of traffic. That is a test to see whether there was any significant decline in the volume of traffic in 1954 as a whole. You see, it is not the first nine monthly periods, but 1954 as a whole, compared again with the estimates for that year. Your estimate for 1954 at the pre-1954 Scheme fares for the whole year—again taken from 709—was £70-6m.?—Yes.

883. Your actual receipts for 1954, to take your figure, are £70-07m.?—Yes.

884. Again I desire to make the necessary upward adjustments to those receipts about which I think we shall not quarrel, because you yourself have made some upward adjustment to those figures in order to reach your 1955 estimate of £72-4m. at the old fares?—Yes.

885. The first upward adjustment I would make to the £70-07m. is £0-36m. for the strike in October?—Yes.

(President): You are taking £70-7m. as the actuals?

(Mr. Geoffrey Lawrence): £70-07m.

(President): From where do you get that figure? Is it a more accurate statement of £70-1m.?

(The Witness): It is in BTC 21.

886. (Mr. Geoffrey Lawrence): I am much obliged. BTC 21, total LTE £70-7m. passenger receipts?—Yes.

887. May I add to it, first of all, £0-36m. for the strike?—Yes.

888. £0-5m. for the weather again?—Yes.

889. And an approximate figure for the effect on the revenue of reduced mileage, which I would put in, with respect, at the figure of £0-24m. as being a reasonably approximate figure for that. We are not dealing with very large sums, as you can see, and that would give me, if you add in those three figures, a total of adjusted actual receipts for the whole year of £71-17m.?—Yes.

890. Before I compare that figure with your budgeted figure of £70-6m., I must, of course, take off what was received in the latter part of 1954 from the 1954 Scheme increases?—Yes.

891. And for the purpose of this exercise, first of all, I would ask you to take off the figure which I have suggested is the true figure, namely £0-7m. If you do that, you will find that you get a resultant adjusted figure of actual receipts for the whole year of £70-47m.?—Yes.

892. The difference between that and your budgeted figure for the whole year of £70-6m. is only £0-13m., a negligible figure?—Yes.

(President): Did I hear that among your adjustment is an adjustment of £0-24m. for decreased mileage run over the whole year, whereas in the eight or nine periods your adjustment was only £0-1m.?

893. (Mr. Geoffrey Lawrence): Yes. I will have to deal with that when Mr. Hill gives his evidence, because that is his figure. (To the Witness): You will realise, of course, that that second test, which brings out the adjusted actuals as near as makes no matter to the budgeted figure for the whole year, depends, amongst other things, upon taking the receipts accruing from the 1954 Scheme increases at only £0-7m.?—Yes.

894. Your calculation is to take them at £1-02m., is it not?—Yes.

895. Now if you take them at £1-02m.—and this is merely to get the figures before you and the Tribunal—the resultant short fall from the budgeted estimates is £0-43m.?—I do not quite follow that, Mr. Lawrence. If the £0-7m. short fall is £0-13m., and if instead of £0-7m. it is £1-02m. (which is another £0-2m. difference), then it would be £0-45m.



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[Continued]

896. Well, let us take it at £0.45m. I suggest, you see, that that is a most unlikely figure for this reason—and I have introduced that figure in order to demonstrate its improbability—that the first test I put to you showed a short fall on the first nine monthly periods of the year of £0.151m.?—Yes.

897. The difference between £0.45 and £0.151m. is about, to round off the figure, £0.3m., is it not? So the difference between £0.45m., which is the short fall on your assumption that you would net £1m. of extra revenue in the last periods of the year, and the short fall of your actuals in 1954 under your estimates was £0.45m.?—Yes.

898. Subject to any criticism you or Mr. Willis may like to make, we have already got a figure of short fall for the first nine months' periods of the year from the fares increase of £0.151?—Yes.

899. The difference, arithmetically, between £0.45m. and £0.151m. is £0.3m.?—Yes.

900. I suggest that if the £0.151m. figure is right for the first part of the year, it is highly unlikely that there was proportionately a much bigger short fall in the remaining period of the year after the fares increase; do you follow?—Yes.

901. What do you say about it?—Well, there was quite a substantial falling off in traffic in the autumn of 1954 following the strike, because we lost a great deal of mileage on the Central Road Services due to irregularity, owing primarily to shortage of staff.

902. That was due to the strike, was it not?—No; it followed the strike. It was due to the causes that led up to the strike.

903. Is not that fall taken account of in your addition of £0.36m. for strike loss of revenue?—No. The addition of £0.36m. for the strike revenue was the immediate loss of traffic, and our curve of receipts had a sudden very steep valley in it; the £0.36m. is the result of filling up that valley. It was the immediate loss of traffic in the fortnight which spanned the strike.

904. I suggest the two figures for the first part of the year and the second part of the year, on the basis of your £1m. extra receipts in those last three periods, are out of proportion, unless it is to be assumed—and this is really the point—that there was a very large initial public reaction to the increase of fares?—I have the figures here of the lost mileage on the Central Road Services; that is to say, the difference between the scheduled mileage and the mileage actually run. For the period 1st January to 19th September, lost mileage was 2.53 per cent. of the scheduled mileage. In the period 20th September to 31st December, adjusted to remove the strike itself, the percentage was £8.57. That is about three times as much.

905. Lost mileage?—Yes.

906. I shall be able, suppose, with your help on those figures, to check the accuracy of my upward adjustments for reduced mileage on these calculations?—I think an exercise could be done on that basis.

907. I cannot do it in my head, nor will I ask you to do it; but that is the material on which we can do it, no doubt. To return to the point, after looking at those exercises and you may say you want further time to consider your answer; if that is so, please tell me, but does it not look from those exercises as if there was not, during 1954, any really significant decline of traffic over and above that which had been allowed for in your estimates?—No, I do not think I can agree that; because when we look at the earlier part of the year, before we got the bad summer weather, we find that we were running short of our budget by something like 1 per cent. The figure on BTC 709 is not given as a percentage. I am afraid; but the figure at 7th March, after nine weeks, was 1.1 per cent.; the figure at 23rd May was 0.97 per cent., and those figures seemed to me to point to some influence at work which caused a decline in traffic. If we follow this decline right the way through 1954 and follow it on through into 1955, on a perfectly consistent argument we reached our figure of £72.4m. for 1955, and we tested that against the results so far and we found we were just a little bit on the high side. If we accept your argument that the figures for 1954—the budget estimates—were about right, then we ought to increase our estimates for

1955. Following it through, we find that in fact in 1955 we should be very much too short.

908. Forgive me; if I understand what you say, what you are doing is this—and I am perhaps exaggerating it in order to throw it up for considerations—you are taking a particular date or dates in the year when, over a very short period of the year, the receipts fell widely short of the estimate figures and then basing an inference on those which you are carrying through into the succeeding year, instead of doing what I suggest and looking at the year as a whole saying: "Well we were terribly down in March; we were down even worse in May; but at the end of the year our budget had been justified". Which is the proper and better way to do it?—I do not accept that by the end of the year our budget was justified.

909. I thought I had indicated to you on these figures, by making adjustments reasonable, I hope, to the actuals, that I had brought the one in sight of the other; do you not follow?—I follow your argument.

910. These are not arguments; they are facts?—Included in the figures are certain adjustments which are matters which you can attribute one thing or you can attribute them to another.

911. But the adjustments are figures which I derive, really, from you; the strike adjustment which I have adopted is your figure of £0.36m.; the weather adjustment is, I will not say your figure of £0.5m., but it is not a figure about which we are quarrelling; and the only other adjustment I made to bring up the actuals is the effect on the revenue of reduced mileage, which I hope I have taken at conservative figures, and the information you have just given will show us whether that is so or not?—But I could equally arrive at the same answer by saying there was an underlying downward decline in traffic and say that the yield from the fares was rather greater than you assumed.

912. I have taken the yield from fares at your figure rather than mine and then, I hope, shown that it was unlikely owing to the disproportionate nature of the result. However, we will not debate that. I put it to you, you see, because it is important and it is important for this reason: If I can take you back now to LCC 407, I will introduce to your notice, as I hope, a little more intelligently than otherwise would have been the case, the second matter on which we joined issue with you on column (a) of the lower part of this table. You will remember that column (a) was a restatement of your calculations up to £72.4m. The first point, you will remember, on which I joined issue was the amount of receipts deemed to have been received in 1954 over the 97 days owing to the 1954 fares increase?—Yes.

913. The next point is the allowance which, on the figures, works out to £0.93m., although I am sensible of the qualification you said as to the precise amount which has to be taken into account if we are to arrive at the final total of £72.4m. Now the 1954 estimates over the 1953 estimates admittedly included a 1 per cent. discount for fall in traffic?—Yes.

914. It looks to me, and you will tell me whether I am right or not, as if in 1955 as against 1954 you have done pretty much the same thing, or a little more?—I have done rather more.

915. If that is right, it must be based on an assumption, must it not, that the fall in 1954 over 1953 is to be followed by an increased fall in 1955 over 1954?—No, because I am of the opinion that the actual fall in 1954 over 1953 was in fact rather greater than the 1 per cent. that we assumed at the beginning of 1954.

916. I hoped I had demonstrated the falsity of that assumption?—I do not think you have demonstrated it.

917. Well, that is a matter of argument. Therefore, I understand what you say. If the fall in 1954 over 1953 was greater than 1 per cent. than in 1955 over 1954, you have not allowed quite as much as 1 per cent.?—I have allowed a little more than 1 per cent.

918. Can I get from you what is really in your mind with regard to this decline? Does the Transport Commission envisage here, if we express it graphically, a descending line of increasing steepness year by year?—I think that there is one factor that we must pay very careful attention to which I mentioned in my evidence in chief, and that is the growth in the use of private cars

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[Continued]

and the affect that they have on our traffic. That factor alone, in our view, will produce a steady decline in traffic on the London Transport services. We have rather a horrifying example in the case of urban passenger transport in the United States, where in 1946 the number of passenger journeys, on the aggregate, of the urban passenger transport systems was 23,000 million and the number of cars registered was 28,000 million; in 1950 the passenger journeys had dropped to 17,000 million and the cars had increased to 40 million; and in 1954 the passenger journeys had dropped to 12,000 million (that is to say, nearly half those in 1946) and the cars had increased to 48 million. That, in our view, is, perhaps, an extreme example, but the number of cars licensed in the London area is going up substantially, and we cannot help feeling that it is bound to have a very noticeable effect upon our traffic.

919. And the end is not yet in sight?—No.

920. You do not see the curve flattening out yet?—No, we do not.

921. That is a matter of argument, really, in the end as to what should be the discount for any decline there is?—Yes.

922. Just to sum it up before I part from this: I have suggested that your 1 per cent. 1954 over 1953 was about right. If that was about right, I shall suggest that it certainly should not be more than 1 per cent., and probably much less, for 1955 over 1954?—The only difference between us, I think, is that you say 1 per cent. is about right and we say it is somewhere between 1 and 2 per cent.

923. In the result, if I am right, it would lead to some adjustment of that figure of £0.93m. in the column (a) calculations, which is what has to be inserted in order to get to £72.4m.?—Yes.

924. If I am right, that could be reduced, which would also have the effect of increasing the £72.4m.?—Yes.

925. I say "also" because the other point is the amount of receipts that I say would be picked up in the other part of 1955 that were not picked up at the end of 1954. You follow the point, do you not?—Yes.

(President): Have you put an actual figure to Mr. McKenna for your rendering of 13 (vi) in the bottom half of this table?

(Mr. Geoffrey Lawrence): No, I have not. I am afraid I am not able precisely to quantify it, Sir.

(President): It ought to be a smaller minus?

(Mr. Geoffrey Lawrence): It ought to be a smaller minus, and, I would say, a significantly smaller minus. It is a matter on which I shall have to address you at a later stage.

(President): Is someone going to give us a figure for that?

926. (Mr. Geoffrey Lawrence): I am going to call Mr. Hill. Whether he will be able, on the material available, to put a figure before you I am not sure. If he can, he will. (To the Witness): Of course, unfortunately I cannot get any help from you, Mr. McKenna, can I?—I am sorry, no.

(President): I only asked because it is nice to note the total amount expressed in terms of money between your downwards view and the Commission's view.

(Mr. Geoffrey Lawrence): Yes. If I may hazard an observation now, I should certainly suggest—and I want to be as reasonable as possible over this—that the figure should not exceed the 1 per cent. that was allowed on the previous occasion in their estimates, which would, I think, reduce the figure of £0.93m. by something like £0.25m., if my arithmetic is right. If you add that to the £0.3m. or thereabouts of the receipts that will be picked up in the other part of the year, it would mean that I am seeking to reduce the £72.4m., on the most conservative basis—and I do not want to overstate my argument—by something like £½m. to £¾m.

(President): That is the difference between the two sides?

927. (Mr. Geoffrey Lawrence): That is what it comes to. I put this at the very lowest against me. It may be that when Mr. Hill gives evidence he will put it a little higher; but if I can save even half a million on this comparatively small Budget it will lighten the burden, and I will have to address you later on as to

where that lightening ought to be imposed on the travelling public. (To the Witness): Just one final point. Here I am hoping—and I am always optimistic in my cross-examination of the Commission's witnesses—to tap another little source of a few odd hundred-thousand pounds, and that is on London Lines. May we consider London Lines and the revenue from London Lines. My broad suggestion here is that you have again underestimated the revenue that you are going to get from London Lines, and I want to refer, for this purpose, to LCC 406 and BTC 27. May I, first of all, get your help about the facts relating to London Lines travel. By and large, of course, it is regarded by the Commission, is it not, as essential travel?—If by "essential travel" you mean the daily travel to work, I think it is fair to say that there is a higher proportion of daily travel to and from work in the London Lines traffic than there is in the London Transport traffic.

928. Is it not within your knowledge that more and more out-County residential building is going on?—Yes.

929. It is all round London on the perimeter?—Yes. When you say "out-County", I presume you mean in addition to the new towns that are not the LCC out-County estates?

930. Yes. I do not merely mean County Council building, I mean the whole thing.—You are not using it in the technical sense?

931. No. Perhaps I could put it in inverted commas to express conveniently what I mean as "all this dispersal of residential building". Always supposing that people who go and live in those new homes do not have their work taken outside London with them, that means that those people have got to come into London to find their daily place of employment, does it not?—Yes. On the whole, the policy of the out-County building was to create reasonably balanced communities outside, although in the early stages the residents went there first and the factories rather lagged behind.

932. But it is one of the tragedies of modern planning, is it not, that that has not been achieved?—Well, the residential building and the factory building do not go in step.

933. What has happened is this—and you know it, do you not, as well as anybody else—that wherever a factory site is vacated in London and that factory moves out to a new town, the factory site in London is immediately re-occupied by another factory owner because of the existing use element on that site?—That I think has happened; but it has also happened that the industrial development in these out-County towns and estates is beginning to catch up now.

934. At the same time, one has only got to use one's own eyes in central London, has one not, to see new office building after new office building going up?—Yes.

935. Which would seem to indicate, would it not, that there is more and more employment, at any rate of that nature, in central London?—Well, I think, in many cases, the new office buildings are inhabited by people who have been in temporary accommodation hitherto.

936. Are they not inhabited, and would you not expect them to be inhabited and worked in, by people who, to a very large extent, use London Lines to get them to their homes at night and take them in the morning?—Not more so than other public transport.

937. Now let us look at LCC 406. I need not describe this again, because we went into it yesterday afternoon; but I want to draw attention to the figure of £0.232m. at the foot of that part of columns 2 and 3 of the Table that relate to London Lines?—In the "Ordinary" category?

938. Yes. At the same time I want to draw attention, having noted in passing the minus £0.027 in the early mornings and the increase of £0.827 in season tickets—Yes.

939. The final figure of London Lines seems to me to be adjusted rather favourably to you and against my argument on this Table by deducting £0.2m. in respect of clearance, but I will not go into that. It leaves us with a net increase, in the shape of a plus figure, of £0.27m. I am bound to put this to you: From those figures it looks as if your estimated receipts from London Lines after the 1954 fares increases was too low?—I think that is right, yes.

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[Continued]

940. My suggestion is that you have under-estimated again in this 1955 Application on London Lines?—Well, I would not accept that suggestion.

941. Let us see what your estimates are. We shall find those, shall we not, on BTC 27, Appendix "A", and "H"?—Yes.

942. On "A" we find the ordinary full fares and day return fares and a discounted yield of £0.463m.?—Yes.

943. And on "H" we find the season ticket estimated figures from the new charges at £0.37m.?—Yes.

944. If you add those two together, it gives an increase—omitting early mornings for the moment—of £0.833m.?—Yes.

945. That must, in the end, be a matter of opinion; but does your estimated increase of yield on London Lines ordinaries and season tickets take into account the fact that your previous estimate was too low, or is it based upon the same process of reasoning?—No. It is based upon the same process of reasoning as the London Transport estimate. You take the actual. It is based upon the actuals of 1954 and then looking to the future to see what are the likely forces at work and whether it is likely to be more or less than 1954.

946. But, you see, something was wrong with the 1954 estimate, was it not?—The estimate for 1954 was on the low side.

947. If you like to put it in that way, we will not split hairs over phraseology. Has there been any attempt this time to correct that—forgive me for using the word—"error" or correct that excessive under-estimate?

(President): Mr. McKenna said the facts corrected it. They have taken the actuals.

Cross-examined by Mr. COLLARD:

951. Mr. McKenna, if the passenger now paying a sub-standard fare were to pay the standard fare for his journey, how much better off would the Commission be?—It is a matter which it is difficult to calculate exactly; but we did calculate that if all the passengers now paying sub-standard fares had their fares lifted by one further step in the scale towards the standard, it would bring in additional revenue of just a little over £14m.; and that if the sub-standard fares—and there would still be some sub-standard fares left after we had done that process—were lifted up to the maximum practicable extent—I say "practicable" because, in order to have the same fare on reasonably comparable routes, in a number of cases it is necessary to keep some fares down to a sub-standard level—the additional revenue might be another £300,000 or so; bringing it up to about £15m.

952. Are those discounted figures?—Those are discounted figures, yes.

953. I suppose the gross figure would be very much larger, or very substantially larger?—Not very substantially larger, I do not think.

954. Is it possible to indicate, in a couple of words, what the nature and size of the discount would be?—No, I do not think it is, because the discount depends upon the actual fare itself. We put a bigger discount on the lower fares than on the higher fares. Quite a substantial proportion of the sub-standard fares are in the higher range where we would not expect a very high discount.

955. You would, of course, agree that it is desirable that there should be uniform charges throughout the London area?—As a broad principle, I think it is a sound one.

956. And that there should be no discrimination against any particular areas?—Yes, as a broad general principle.

957. When did the Commission last take any substantial step towards eliminating sub-standard fares?—In 1952.

958. Was that the occasion when the Government stepped in?—Yes.

959. So that the step was not altogether successful?—Yes.

960. When you say "Yes", you are agreeing with me?—I am agreeing with you.

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948. (Mr. Geoffrey Lawrence): That I follow, but it is not, with respect, the whole answer to the question, because one of the reasons why your estimate for 1954 was too low was this, was it not: it did not take into account sufficiently increased revenue on London Lines from totally new travellers, people who were going out into these new estates and were travelling on London Lines for the first time in their lives?—It was too low and I think that may well have been one of the reasons, and that is borne in mind when reviewing the actual results of 1954. But in looking further forward to 1955 we have to see the rate of building these new towns: Are they nearing completion or have they still got a long way to go? I am speaking from memory I am afraid, but I am rather of the opinion that a number of these towns are virtually complete. In Harlow I think it is very nearly complete and in Hemel Hempstead.

949. I am not talking only of the new towns. I am talking of all the building going on. Have you, for instance, seen the building in the neighbourhood of Rainham in Essex in the last twelve months? It is fantastic, is it not?—I would say it is beginning to fall off now. A lot of people are already living in Aveley and a good deal of the traffic goes into Grays and a lot of it moved by road. Stevenage is well on. Crawley is well on. Industry has gone to Crawley and there is industry in Hemel Hempstead now. Then there is Debden, which is not affected by the London Lines; that is on the London Transport services. I would expect the volume of traffic from these new towns in "B" year—that is to say, beginning from about now—to be rather falling off. I would expect the rate of increase to be falling off.

950. As I say, it is a matter of opinion and only time will tell which of us is right?—Yes.

961. When was the last successful step taken by the Commission to eliminate sub-standard fares?—In October, 1950, I think.

962. Not since then?—No.

963. Is there any reason now why the Commission should not help itself to that £15m. which is there for the asking?—Yes, I think there is.

964. What is the reason?—The revenue of £15m. is not of itself sufficient to put the Commission right in the case of London Transport. This figure of £15m. refers to London Transport, I ought to mention. London Transport's requirements are more than £15m., so that they could not put themselves right merely by bringing the sub-standard fares to the standard fares. They would have to increase other fares as well to quite a substantial tune, to the tune of another million of so; and we would then have the same circumstances as in 1952, where certain sections of the travelling public—not confined to any particular area; they are dotted around a number of areas—would have quite substantial increases put upon them. In the present circumstances the Commission thought it better to spread the increase more widely and rather more thinly.

965. If they chose to collect the balance of sub-standard fares they could spare, for example, the early morning fares and the season-ticket holders, could they not?—No, because there are a number of sub-standard charges in the early morning fares and season tickets.

966. Well, substantially they could?—It is fairly well spread; besides, the early morning fares themselves are sub-standard fares.

967. Of course, that is the view of the Commission. I want you to look at a Table which the Commission have been good enough to prepare for us. It is SETAC I and it should be before you, Sir. Is it the fact, Mr. McKenna, that in the Barking area there are virtually no sub-standard fares?—No.

968. (President): You mean it is not the fact?—It is not. There are sub-standard fares in Barking.

969. (Mr. Collard): Or very few, compared with other areas in London?—No, I would not say that. It is very difficult, without prolonged examination, but Route 23 runs from Barking down Commercial Road to Aldgate,

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and that is quite a sub-standard route. Route No. 25, north of Barking, running down the other main road, the Ilford Road; that is a sub-standard route.

970. I was going to draw your attention more to the fares on the District Line and on the line to Fenchurch Street. With regard to those, there are practically no sub-standard fares on the route from Barking into Central London?—The short-distance fares, local fares, on that part of the old London/Tilbury and Southend Line are, I think, in general on standard. Because you may remember that in the 1950 Scheme, in many cases, there was a general adjustment of those fares and in many cases they were reduced and brought to standard.

971. Yes, Page 3 in my Table shows a number of fares on that line. I think you would probably be able to tell me, but I suggest that all of them are completely standard fares?—The ones on Page 3 are all standard fares, yes.

972. You even charge us for 0.04 of a mile as a mile, as, of course, you are entitled to do. But look at Page 1 and see whether this is a state of affairs which the Commission approves of. Look half-way down Page 1, the Upminster to Charing Cross fare, where the 17.45 miles is 2s. 3d. Now that could, of course, be 2s. 4d.; it is over 17 miles?—Yes.

973. Look at all the other comparable rates from other suburbs into Town, the six listed below that: Farringdon to Ickenham, 17 miles, 2s. 0d. only; Aldgate to Ruislip, 17.33 miles, 1s. 11d. only; those could be 2s. 4d., could they not?—They could be 2s. 4d. if standard, yes.

974. Even more striking, Cockfosters to Hammersmith and Ruislip to Piccadilly Circus, which are 1s. 10d. and 1s. 9d. respectively; they could each be 2s. 3d.?—Yes.

975. Similarly, Edgware to Tooting Bec or Morden to Hendon Central, 16.85 miles, 16.94 miles; they are both 1s. 8d. and could be 2s. 3d.?—Yes.

(President): Is there an association of sub-standard fare payers, do you think?

(Mr. Collard): It must have a very large membership now!

(President): They will seek to be heard here before long if you go on with this.

(Mr. Collard): You appreciate the point we have to make, Sir; it is unfair we should be charged full rate when in pretty well every other suburb in London very substantial sub-standard fares exist—ones as much as 7d. on a fare which should be 2s. 4d.

(President): We cannot do anything about it, can we?

(Mr. Collard): No, Sir. But, of course, if we can point to a source of revenue which ought in fairness to be tapped, we can submit that that source should be tapped before any increases in the general fares structure is authorised.

(President): That would be very nice for standard fare-payers, but would not do sub-standard fare payers any

good. If you could point to another source of revenue and say this Scheme, or these alterations, ought to be rejected, that would still leave sub-standard farepayers in the position of being sub-standard would it not?

(Mr. Collard): No, Sir. Our submission would be they should not be sub-standard any more.

(President): We cannot force the Commission to follow that.

976. (Mr. Collard): You can by rejecting their Application. (To the Witness): Then on Page 2—I will not go through it all—there are other examples comparing fares in our area with fares in other parts of London. You see from Beacontree to Charing Cross costs us 1s. 7d., which is the standard rate, is it not, and the citizens of Cockfosters, who come to Holborn, only have to pay 1s. 4d. for the same distance?—They now pay 1s. 8d. and 1s. 5d. respectively.

977. There is still a difference of 3d. Is there any reason why these rather striking discrepancies should continue?—It was the Commission's policy in 1950 to make some move towards eliminating sub-standards; it was their policy again in 1952, we know with what results. It is a matter, I think, of judgment at any point in time whether the opportunity should be taken of having a further go at the sub-standards. In this particular case, in view of the financial needs of London Transport, it was thought better to obtain the revenue, as I said, by a rather wider and rather thinner increase.

978. But you do not have to wait for any applications to the Tribunal before you deal with sub-standard fares, do you?—No.

979. You could have taken further steps at any time in the last 5 years?—Yes; there are, of course, commercial considerations.

980. There are, of course, in any increase in fares. But surely where sub-standard fares are concerned the public would appreciate the fairness of removing those rather more than any general increase?—It did not appreciate the fairness in 1952.

981. It was done rather clumsily then, was it not?—No.

982. Without any public preparation?—No; I think the facts were known.

983. Simultaneously with the general increase in fares?—It was done simultaneously with a general increase in fares, yes.

984. But it does rather look, does it not, as though Barking are the only people in step?—Oh, no. I could find you other places where predominantly they are on standard fares.

985. Can you give any reason why today citizens of Barking should be subsidising, say, the citizens of Morden?—I could point to instances where the citizens of Tottenham are subsidising the citizens of Barking.

Cross-examined by Mr. RIPPON.

986. You are, Mr. McKenna, the Chief Commercial Officer of the London Transport Executive?—Yes.

987. Is your Department concerned solely or merely primarily with the fares and charges?—It is concerned, I would not even say "primarily", partly with fares and charges. It is concerned also with the review of routes.

988. Are your functions comparable with those which Mr. Valentine exercised?

(President): That is a very difficult question. Would it not be better to ask him what he does, rather than how it compares with what others used to do?

989. (Mr. Rippon): Are you directly concerned, as Mr. Valentine claimed to be at the last Inquiry, with operating policy?—No.

990. We know Mr. James is concerned with profitability?—That, I think, is a phrase that came from the extract from the Chambers Report.

991. Yes. I think it is what the Chambers Committee were told by the London Transport Executive?—Yes.

992. They were Sir John Elliott's words on Page 81: "Mr. James is only concerned with finance, with accounts

and with profitability". I think the Chambers Committee had some difficulty, as we have, in understanding who is responsible for what. Is the position this: Mr. James gives you a figure of what is required and you simply plan a workable fares schemes?—Broadly speaking, I think that would be a way of expressing it.

993. I think you are also the Chief Public Relations Officer?—I was, but I am no longer.

994. That part of the table in the Report is out of date?—It is now, yes.

995. But you report, do you not, to a different member of the London Transport Executive than do the Operating Managers?—For part of my functions, yes; but not for other parts of my functions.

996. I gather from Appendix 3 that the Operating Managers—there were three of them—report to Mr. Harber?—Yes.

997. Whereas you appear to report directly to the Chairman?—You also see, at the extreme right hand of that line, that I also report to Mr. Harber.

998. (Mr. Harold Willis): You are on both ends?—I am on both ends of this table, yes.



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999. (Mr. Rippon): Is that where the co-ordination comes between fares policy and operating policy? Both sections reporting to one member of the Executive?—Yes.

1000. I want to ask you a few questions, Mr. McKenna, on the loss of traffic; I will try not to cover matters already dealt with by Mr. Lawrence. If you could look at the 1954 Inquiry, Minutes of Evidence at Page 71, I think the discussion on those two pages shows that the traffic tended to be particularly vulnerable at the lower distances. I think there was a fall in traffic as the result of the increase from 3d. to 3½d. of something in the nature of 8½ per cent.?—Yes; I would say following the increase, rather than as the result of the increase.

1001. Mr. Valentine said "our interpretation of that result naturally has to take into account the general decline of traffic that is going on between 'Y' year and 'Z' year"?—Yes.

1002. That is the cars and televisions?—Yes.

1003. Do you really think, Mr. McKenna, that the decline in traffic on those short distances can be attributable to cars?—Yes.

1004. And television sets?—To a lesser extent television sets; but very much due to cars.

1005. Then on the top of Page 72 there was a reference to a further decline of 1 per cent. in "Z" year. So there was something between a 2 and 2½ per cent. decline to be expected from the general decline of the trend of traffic apart from the result of increasing fares?—Yes.

1006. It is that argument you are carrying forward into this Inquiry?—Yes.

1007. I think it goes on the bottom of Page 73, "What you have done here in this Table and all you have said in evidence is based on the assumption that broadly speaking your 'Y' year estimates were correct," and Mr. Valentine answered "Yes." Would you answer "yes" to the same question if one substituted "Z" year for "Y" year?—No, I have already answered that question.

1008. Do you agree with what Mr. Valentine was saying about these matters, not so much that your "Z" year estimates have been wrong, but there has been this basic downward trend of traffic and that is what has made them wrong?—I would say that our "Z" year estimates were too optimistic; we did not allow enough for the basic downward trend of traffic.

1009. Alternatively, you did not allow enough for the passenger resistance the local authorities warned you against?—No.

1010. I think you do say in this Inquiry yourself, Question 376 on Page 22: "These discounts we try and make are not a very scientific exercise, but more in the nature of an exercise of judgment based upon experience"?—Yes.

1011. The position really is that you are setting your judgment of the effect of these increases against the judgment of the local authorities?—No, I would not say that. We are, I think, in rather a privileged position in examining the figures. The local authorities look at the figures once a year, when we come here; we are looking at them all the time.

1012. It is not only a question, is it, Mr. McKenna, in transport, of looking at the figures?—No, it is not; it is looking at the traffic as well.

1013. Does not the traffic depend a great deal upon psychological matters like public good will?—Yes, it does depend to some extent on factors like that.

1014. Would you not agree that the local authorities have an advantage, perhaps, that the London Transport Executive does not possess to the same degree, of being in closer, constant touch throughout the year with the people who use your traffic facilities?—London Transport are in constant touch throughout the year with the local authorities.

1015. I am very glad to hear that.

(President): And, presumably, with the people who use the facilities. I do not know how anyone could be in closer touch with them than the people who are providing and working the facilities.

1016. (Mr. Rippon): They seem unable to interpret, Sir, any better than the local authorities can why it is they are staying away in increasingly large numbers. It is perhaps a matter of inference, Mr. McKenna. The Local Authorities, as well as the London Transport Executive, have these opportunities of forming a judgment as a result of their association with the public?—I would not dispute that; but in my former Public Relations capacity I maintained liaison with a large number of the Local Authorities in the London area about travelling problems and with associations of those authorities, like the South Essex Advisory Committee.

1017. What is your view on the comments the Chambers Committee Report made on the subject of Public Relations? Are there any suggestions they have made which you are going to take up?—I think they said words in effect that the—

1018. Page 106, Paragraph 465 "Consideration should be given to the possibility of devoting more attention to explanations of a general character, particularly where the Executive is a subject of misguided criticism"?—All Public Relations work required a great deal of patience and I think with co-operation and patience, better understanding of the problems of general explanations of general character will come.

1019. You say you are in touch with the local authorities throughout the year. Do you ever take the opportunity in between Inquiries of discussing with them some of the objections which come up year by year?—They are discussed in an informal way.

1020. Is a special effort made in any publications or otherwise to give the answers to the public of the particular matters which they raised on particular types of fares?—What happens is that the public as a body do not raise questions, but individual members of the public or organisations will raise some question and that will be carefully examined and replies sent to the individual member or organisation.

1021. I think you have said at some stage of this Inquiry, Mr. McKenna, something about the difficulties of comparing, if you take BTC \$10 and LCC 406, the way in which the 1955 estimate has been built up?—I do not think I quite referred to the difficulties of comparing. I think the gist of what I said was that it was an unreliable sort of comparison to compare two estimates in order to deduce the trend of traffic.

1022. Do you think we would be able to get more reliable comparisons if we were allowed to have the Scheme in operation for a full period of 12 months?—I think if a scheme was in operation for a full period of 12 months we should have more data to go upon, but I think that also other factors would have come into the picture and I do not know that we should be substantially wiser.

1023. You know that is one of the matters which are suggested by those whom I represent?—Yes.

1024. Do you think, if there was a longer interval between these adjustments of fares there would be a greater opportunity for the traffic to settle down, and so a greater chance of attracting back some of the people whose initial reactions are rather violent?—No, I think it depends very much on the nature of the increases. I do not think one can give a general answer to that question at all. If, for example, the scheme involved putting 1d. on one particular fare only, I think it would settle down exceedingly quickly.

1025. Just a few questions, Mr. McKenna, on the subject of where this declining trend has been most evident. It is Question 388 on Page 23. I think you do say that the declining trend is not shown in the country areas because of the expansion?—It is obscured in the country areas. There are two things happening at the same time. There is expansion in the country area, there is the increased population there, a good deal of the increase in the population consists of, shall I say, the non-motorcar-owning population. At the same time there is an increase in motorcars which would tend to have a depressing effect, but on balance there is a slight upward trend in country areas.

1026. Do you think it should increase?—Not much, I do not think, for the reason which I gave Mr. Lawrence. I think the rate of building in the country areas is slowing down.

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1027. Is that a matter on which you keep in touch with the local authorities?—Yes.

1028. You do know that as far as East and West Ham are concerned, in the Metropolitan District, they have used up their building land and they are wanting what in the County Council Reports they would call a housing estate outside their own area?—There was a scheme, so far as I remember, for building on the flat land at the south of East and West Ham, at the end of Prince Regent Lane, down there.

1029. Is the Executive alive to the problem of inducing people to move into these Estates if in addition to higher rents they have to pay continually rising fares?—They pay, I think, the appropriate fare.

1030. Do you give any particular weight in these days to the need to preserve the taper? We have not heard about that quite so much in the last two Inquiries?—I would not say we do as a principle. We look at our scales as they are and we look at our revenue needs, and we put up a proposal which we consider is a reasonable proposal which will procure the revenue which we require and will procure it in a way which we think is reasonable in the circumstances of the time. I would not say we are bound by any principle of taper or non-taper or anything like that.

1031. Because you do not, do you, Mr. McKenna, give any particular consideration to the special needs of special areas?—We have ever since 1950 endeavoured to have a system of fares which is a uniform system as far as practicable over the areas as a whole. This was argued at great length in 1950 and that general principle we have maintained since.

1032. I do not think I can say anything more about that, Mr. McKenna, than we have said in the course of the last Inquiry. I would like you just to look at a few more statistics in relation to the loss of traffic, and this involves going back at the start to the 1951 Inquiry, Exhibit BTC 204?—I am afraid I have not that with me.

1033. It is only the one figure, perhaps you can take it; it is in relation to the passenger journeys for "X" year, existing charges from originating traffic, day return fares, ordinary return fares, early mornings, seasons and other descriptions. The total number of passenger journeys it was estimated then was 4,479,000,000?—Yes, I have that figure now. That is for London Transport only.

1034. That is for London Transport only. In the Transport Statistics 1954, No. 13, you see on Table E.1 on Page 50 the figure in the first column of 4,092,000,000 passenger journeys?—Yes, that is for the 52 weeks to the 2nd January, 1955.

1035. Is that figure comparable with the one in BTC 204?—Except for one day, I think it is.

1036. That represents, if the mathematics are correct, I think, a fall of 8½ per cent. in passenger journeys over your whole system within that period of 4 years?—The first figure, I think, was an estimate for "X" year, which was a year approximating to 1951, was it not?

1037. It was based on the actuals for 1951?—The thing was quoted, I think, as an estimate which appeared in the exhibit, as an estimate for "X" year.

1038. It is in very great detail?—That would be a fall.

1039. Of 8½ per cent. But of course that is still going on, according to the latest statistics?—Yes.

1040. Could we briefly compare the figures in the 1954 series Transport Statistics, No. 4, 25th April, with the corresponding volume for 1955.

(President): Which of the 1955 numbers are you taking? (Mr. Rippon): No. 4. It is the latest one I have, Mr. McKenna; I think it takes us up to the period before we were involved in strikes.

(President): You are comparing that with 1954, are you? (Mr. Rippon): Yes.

(Mr. Poole): That is the same table?

1041. (Mr. Rippon): The same Table, E.1, on Page 28 in 1954, and E.1 in 1955?—E.1 is the figure of 1,217,051.

1042. (Mr. Rippon): Yes, it shows a decrease of 3.5 per cent. on 1954. You notice in 1954 apparently, in relation to the early morning tickets and the season tickets, you were beginning to get some upward trend in the traffic

carried?—There is this complication, Mr. Rippon, about the transfer of some traffic from the early morning category in 1954 into the ordinary category in 1955.

1043. The figure in 1955 which shows a decline in early morning ticket travel of 11.1 per cent.?—Yes, there was some traffic that was in 1954 in the early morning category, but in 1955 would be in the ordinary category.

1044. I am sorry; perhaps I ought to remember, but why is that?—Because there was a 3d. early morning fare for 2 miles in the fares scale prior to the increases in September 1954 and after those increases that fare went up to 4d. and became the same as the ordinary fare.

1045. I follow that, Mr. McKenna. Would you say from these tables or any other information whether there is any evidence of a decline in this early morning traffic?—Yes, I think broadly speaking, not necessarily from these tables, there is some decline in the early morning travel.

1046. Is that because there is no longer such a great inducement to get up a little earlier to get the cheaper fare?—No, I do not think so.

1047. Do you feel there is any tendency for the early morning traffic to be more concentrated at the peak?—No. I think the reason for the decline is much more to do with some redistribution of homes and workplaces, and of course there is also the element of competition with bicycles and motor-assisted bicycles, and to some extent with cars themselves.

1048. I am obliged for that explanation. Would you agree that perhaps the most significant figure in the 1955 Statistics to which I have been referring is the increase on the day returns, etc.? That is presumably the increase resulting from the introduction of cheap fares, an increase of 6.4 per cent.?—An increase of 6.4 per cent. on day returns, etc. I am not quite sure what is included in the etcetera.

1049. I was wondering if it did include the cheap evening fares and the midday shopping ticket?—I am not sure whether that is in the day returns or whether that is in other descriptions. I understand it is in the day returns, etc.

1050. There is not much inducement in many areas, is there, to get a day return as distinct from an ordinary return?—Yes.

1051. It is about 1d. difference?—No, it is more than that, especially for the longer distances.

1052. What is the difference at the 12-mile distance between an ordinary return and a day return?—At 12 miles now the day return is twice 1s. 8d., and the ordinary return is twice 1s. 11d.: there is 6d. difference.

1053. Is that figure shown on one of your tables?—BTC 23, Column 3, at 12 miles the new scale of London Transport and London—Tilbury—Southend line ordinary single fare is shown as 1s. 8d. and in Column 7 the new scale of the ordinary single fare on the London Lines of British Railways, other than the London—Tilbury—Southend line is shown as 1s. 11d. The difference between those two singles is 3d. and the difference between the returns, the day return being exactly twice Column 3 and the ordinary return being exactly twice Column 7.

1054. Is there any reason why there should be any increase between that figure as between 1954 and 1955 on the day return?—There might be in so far as there is a shift of population, but I will agree that there have been certain cheap facilities and they have increased the volume of the passenger journeys. Whether they have increased the net yield in money is quite a different thing.

1055. Well, is it, Mr. McKenna: what did you have to say about that at Day 2 on page 21? I think you showed that there had been a net gain from the introduction of these?—It is always difficult to disentangle any increase in revenue and say that that can be attributed only to a cheap fare facility and not to any other cause, but any net gain that there has been has been a very small amount.

1056. I think you said in relation to the cheap evening fares the gain in revenue is very small indeed?—Very small indeed.

1057. But you have reason to believe that there has been that gain in revenue?—From an examination of the traffic, I put it no higher than that there is reason to believe that there has not been any loss of revenue.

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[Continued]

1058. That is taking us considerably further than the evidence at the Inquiry?—On the cheap evenings the last time I think we said there was a slight loss, did we not?

1059. Yes, they were not then breaking even?—But the difference between a very slight loss and a slight gain is not very big.

1060. It would be quite helpful to the London Transport Executive?—Not if it is only a few hundred or even a few thousand pounds.

1061. But you have been battling against an increasing rate of decline in evening traffic over recent years?—There is always that factor in it, that assessing the yield from such a facility you have to compare what you are actually getting with what you think you would have got if this facility had not been introduced, and that is a very difficult thing to assess.

1062. But here you see you have had a lower fare and an increase in revenue?—We had a lower fare and an increase in passengers. There is no argument about the increase in passengers. Whether we would have got an increase—we would not have got such a big increase of passengers.

1063. Do you think you would have got any increase in passengers at all? You would have gone on getting a decrease of passengers in face of what you describe as a declining trend which last time we were told was particularly evident in the evenings?—We might have got a decrease in passengers, and in assessing the revenue, if we had assumed that the revenue had remained absolutely stationary without these cheaper evening fares, I think the results would have shown a slight decrease in revenue, but if you assume for this purpose that without these cheap evening fares there would have been a slight decline in revenue, then the cheap facility—

1064. Is proving itself?—It has improved; the results show a slight improvement, but the margins are exceedingly small.

1065. It is proving to be a justifiable experiment and at the moment you are certainly not inclined to terminate it?—That is the position.

1066. Would you agree with Question 2234, on the 9th Day, since Mr. Valentine said "At the moment we have no evidence at all; at the moment all evidence is to the contrary that cheap fares would increase the net revenue"?—A lot of things can happen in four years.

1067. But at a time when in your evidence there is a greater tendency for traffic to decline these experiments have after all proved successful as the local authorities said they would?—I would not say they had been all that successful.

1068. They have done what we were told by the Executive was wishful thinking, they have made a contribution to net revenue?—They have done something three years later which is different from what somebody said originally.

1069. I think that is as much as you can possibly say, Mr. McKenna. And I think the same considerations apply, do they not, to the cheap midday shopping tickets on which you say there has been some additional revenue?—Yes, that is a facility on Southern Region.

1070. And now the position has tended to stabilise?—In the case of the evening traffic there is no evidence of the volume of this traffic going up and up or even of going down and down.

1071. It is all off-peak travel, is it not?—This is off-peak travel.

1072. And there is plenty of room in your tubes and in your buses?—Off peak covers quite a wide time and there are moments in the middle of the day especially when our buses are very full.

1073. When do you think the moment is going to come for you to make a further reduction in the fare in order to attract additional traffic?—I think you may see some further selective experiments quite soon.

1074. Because they need not be generally applied throughout the London Transport Area—you mean selective in that sense—applied to the special needs of the special areas?—Well—

(President): Mr. Rippon, I do not think you should take too much time on this. There is a limit to the extent to which we should regard ourselves as competent to manage the London Transport services.

1075. (Mr. Rippon): I will not press that point any further, except, if I may, to ask just one further question, Sir. (To the Witness): Have you given any further consideration to extending this cheap midday shopping fare by allowing the passenger to travel home, not just before 4 p.m., but also after whatever period of time you consider concludes the peak? In other words, have you given consideration to a ticket available after 10 a.m. for journey into London and then providing that the traveller goes home either before 4 p.m. or after 6.30 p.m.?—We have from time to time considered something like that, but there are certain technical difficulties about it in enforcing the passenger to abide by the terms of his ticket.

1076. The same difficulties the Southern Railway had when they had it before the war?—I think they abandoned the backward time restriction.

1077. I would not be able to say whether that is so or not.

(Mr. Sewell): I think we have been told on previous occasions that the difficulty was that they could not enforce the time restriction on the ticket.

(The Witness): It is very difficult, Sir.

1078. (Mr. Rippon): Just two short questions on the subject of early morning fares which you deal with on Day 2 at Page 21, Question 354. I think you repeat there what has long been the policy of the Commission, to move gradually towards the elimination of the concessionary early morning fares. Have you reconsidered that policy in the light of the recommendations of the Chambers Committee in Paragraph 123 at Page 30? I do not think I need read out the whole paragraph?—No, I know the passage. We have not at the present stage reconsidered it in the light of that recommendation because I do not think we are approaching the time when the gap between the early morning fares and the ordinary fares at the important distances is so narrow that it is likely to have the effect of a merging of the peaks.

1079. Do you feel as regards the last suggestion it would meet the same difficulties we have already referred to, about encouraging the early morning traffic to travel before or after the evening peak period?—There is the difficulty of the different length of hours of industrial traffic and business traffic. As it is, in the evening peak we do get the business and industrial traffic piled up on top of each other. The evening peak in general is higher than our morning peak.

1080. Would you agree at any rate that the fact there are these early morning fares does help to spread the peak?—I think the fact of the cheap early morning fares means that our morning traffic comes in two peaks, and the highest of those two peaks is slightly less high than the evening peak, yes.

1081. So to that extent they are valuable?—Not of very great value because the quantum of our equipment and our staff is determined by the size of the biggest peak, which is the evening peak.

1082. As far as season ticket increases are concerned, Mr. McKenna, would you agree that that increase is of course being placed upon traffic which is in no sense optional traffic, the people who have to go to work every day?—You use the word optional; they could opt not to go to work by train but to go to work by car. It is an increase which will be borne in the main by people going to and from work.

1083. Is the position at the moment, Mr. McKenna, that the season ticket rates at the lower distances are above the cost of six return journeys a week?—The mileages vary but that is, broadly speaking, true; for the first two or three miles a season ticket is more expensive than six return journeys at ordinary fares. That is a position which has been the same certainly since 1950, and I think before that.

1084. Would you agree that probably now a larger number of people are working a 5-day week than even in 1950?—Yes, I should think that is probably so.

1085. Would you not agree it is important, so far as you are able to do so, to preserve an attractive differential—if that is not a word that upsets you at the moment!—between the season rate and ordinary rate?—There is only one mileage in our present proposals where it is altered, and I think it is 3 miles.

1086. You do not think the time has now come as a result of the fact that fewer people are now working a



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6-day week, to try if you can increase your revenue from that particular source by making the fare rather more attractive than it is today, particularly at these lower distances?—I do not think so, no.

1087. In spite of the advantage of being able to have your revenue in advance and in spite of the advantage of easing the position at the ticket offices in the mornings?—At the distances where—although we have not precise statistics—the bulk of the season ticket traffic arises, I think the differential is an appropriate one.

Cross-examined by Mr. MERCER.

1089. As I indicated to Mr. Winchester, as part of my function appearing on behalf of the London Passengers Association, I have regard to the interests and concerns of a number of affiliated associations and I include amongst those certain ratepayers associations who have kindly put the matter to me that I will ask you a few questions about if I may. I would like to divide the few questions I have to put to you, with your approval, Mr. McKenna, into three sections. That is the consideration of your fare scale as proposed, and (so far as it is relevant to fares) a few matters of operations and thirdly (again so far as it is relevant), matters of management.

The first matter which is of concern to the persons to whom I have referred are the fare scale as proposed, and it is put that both from the point of view of its effect upon the traveller and upon your revenue one could roughly divide your scale into two, that it is the shorter distance, wherever one divides shorter from long, and the long distance.

(President): This does not look like developing into a question, Mr. Mercer, or it is going to be a very difficult question to answer.

1090. (Mr. Mercer): I wanted to explain so that Mr. McKenna would know the purport of my inquiry and the way it has been put before me; but if, Sir, you feel it is time I came to the point perhaps at this stage I should come to it. The point that is put to me, Mr. McKenna, which I put to you, is, first, that if we take your ordinary fares of up to 1s. 0d. and beyond 1s. 0d., there is very little revenue gain in your proposed increases above 1s. 0d.—I would not say there was very little gain; I would say there is quite a lot.

1091. You feel there is quite a lot in it?—If you look at Appendix B of BTC 27, you see for the London Transport Railways the 1s. 0d. going to 1s. 1d. gives £68,000; 1s. 1d. going to 1s. 2d., £55,000; 1s. 2d. to 1s. 3d., £37,000; and over 1s. 3d., £74,000. That I would not regard as very little.

1092. It is true, is it not, that the gains are in the lower categories of increase because your proposal with respect to the 7d. fare on that table is £164,329, is it not?—The gains follow the distribution of our traffic.

1093. Exactly.—Which tends to fall off at the longer distances.

1094. And LCC 403 is an example, is it not, of a knocking off of part of your proposed increases?—Yes.

1095. And I think that Table, LCC 403, which divides at 1s. 3d., has been, for the purposes of arithmetic, approved by you?—Yes. I have not had the Tables LCC 401, 402, 403 and 404 put to me so far, but as far as the yields are concerned from London Transport Executive in 401, 402 and 403, we have agreed the figures.

1096. Then the further consideration which I suggest is relevant in that connection is, is it not, that in these longer distances or with respect to travellers over these longer distances, you do face the possibility of bicycle and other competition?—For the longer distances? I think with regard to 10 or 12-mile rides on a bicycle every day, the competition would not be very great, but the competition from a car might be.

1097. It is all a matter of description, is it not, but at least getting away from the distances up to the ones that we have been considering, you do find increasing competition, do you not?—We find increased competition at all distances. It is not confined to the longer distances.

1098. And it does not vary in accordance with the length of travel?—The volume of competition?

1099. The competition?—No.

1088. But you want the bulk of the season ticket travel to be more widely spread. The bulk comes now at the longer distances because it does not pay to have a season ticket at the lower ones?—I would not say it does not pay, because the season ticket holder at the lower distances can use his ticket for short casual journeys, it does not cost him any more there. I think as we have stated on a number of occasions it is only to be expected that for short distances the season ticket will be a more valuable facility.

1100. In other words, you are suggesting that the person who is unable to travel one stage for some reason or another, is likely to travel by bicycle that one stage, as compared with a person who is under the necessity of travelling three or four stages?—I do not think I follow your question.

1101. You are suggesting that the competition exists at all stages?—Yes.

1102. I am putting to you, do you mean that the person who is only under the necessity of taking a 2d. or 4d. journey is more likely to buy a bicycle to take that 2d. or 4d. journey than a person who has to take a 1s. 6d. journey?—I think it depends on the person. If a person has a car he may well use his car just to run from home to the shops or to the cinema rather than possibly wait for the bus and take even a 2d. ride. On the other hand, if he has a car he may choose to come up to work in the morning in the car.

1103. Yes, but we were dealing with the possibilities over the whole scale. You are suggesting that is a general possibility?—It is always a possibility with competition that a person may change his customary means of transport.

1104. Then apparently we are not entirely in agreement so far as that aspect of the matter is concerned. Now it is also put, Mr. McKenna, that the services, so far as they are services, in operation at present, are already noticeably on a lower level of operation. In other words, you are not giving the same service today as you were giving, say, 12 months ago?—There has been—I have given evidence that there has been—a decline in the mileage operated; that is true. That applies on certain services, on central road services in particular.

1105. On the experience of those whom I represent, that has meant sometimes long waits in queues and in some cases it has rendered people late for work, and that would be consistent with the evidence you have given?—No, I do not think it is necessarily consistent because the reductions in mileage were made outside the peak hours, on the fringes of the peak, and on the build-up of the peak. I do not think there has been any reduction at the maximum time of the peak where the length of the queues is highest.

1106. Well, I am told Mr. McKenna, that queues do appear at the time of about 7 o'clock in the morning in certain of these areas with which my clients are concerned, and that there are waits of as long as 20 minutes at those times?—I am sure they are right. There have been waits for as long as 20 minutes for some years; there is no change in that.

1107. But to the extent that there is a diminution in the services as proposed, then increases in fares would be more noticeable, would they not, against those diminutions in services?—I find that very difficult to answer.

(President): You mean a person will be angrier if he were waiting and were only charged 8d. than he would be if he waited the same length of time and was only charged 6d.?

1108. (Mr. Mercer): If it came to a point where a small increase is in other senses desirable, the fact that the services are to be reduced may be a reason for not increasing fares at this particular period?—No, I think the considerations which lead us to increasing our fares are the need for additional revenue.

1109. And you do not agree that if you increase fares when your services are being reduced, this may tend to send the level of receipts even lower still because the fares were increased at that inopportune time?—No, I

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think it all depends upon the way in which the services are reduced and where the increases in fares are, and I could not accept that as a general proposition at all.

1110. I see you are suggesting that depends not only upon time but upon circumstances?—Yes.

1111. And no doubt the length of time we have here will not enable us to go into all the circumstances. The further point on your fares scales to which I would like to draw attention, Mr. McKenna, relates to the influence of cheap fares so far as it may help towards net revenue. The London County Council did say (in a written answer to Question 19) to the Chambers Committee, on the 22nd December, 1953, to which you may have contributed: "There is no doubt that the pattern of demand in passenger transport can be influenced materially by price". Then you went on to give examples which were exceptions to that general proposition and you concluded by saying: "For some months London Transport have been specially studying means for stimulating traffic by means of some form of cheap travel". It would appear, would it not, from your answers to Mr. Rippon that you are still considering those means for stimulating traffic?—Yes, I do not know what this document is. Is it a document submitted to the Chambers Committee by London Transport?

1112. Yes, it was Question 19 submitted to the Chambers Committee?—I think what was expressed in that document is in agreement with what I have said at this Inquiry.

1113. I wanted to have it from you that when you said that "for some months London Transport have been specially studying means for stimulating traffic by means of some form of cheap travel", it is being done up to date. Is London Transport still specially studying those means?—Yes.

1114. And in that event it is put to me—and I think I can enumerate these together to save time—"that the following may have effect upon net revenue and would avoid fares increases". First of all, "an extension of the cheap evening fares out of the central area as opposed to the present scheme of bringing people into the central area; and (2), the extension of cheap shopping and weekend fares; (3) the introduction of single stage off-peak fares." If I may explain the last one, it is suggested that whilst in some circumstances you may not agree to a reduced fare, or that a reduced fare is possible in some cases, that a single stage charging system within certain hours and within certain localities may benefit the shopper or the person concerned and may benefit net revenue with less damage so far as the receipts from the existing travellers are concerned. So I put it to you that those are suggestions which, if followed up, could result in an increase in net revenue and therefore obviate the necessity for applications for fares increases?—I can comment on those suggestions, I think, quite shortly. Cheaps outwards in the evenings: It is our experience that you want some kind of objective for a facility like that to be a success and in our view I do not think there is any objective in the outward direction comparable with the objective of the attractions of the centre of London of an evening. I do not think that would be a very profitable venture. Your next one was cheap shopping and weekends. It is possible you may see something about weekends in the fairly near future. Shopping means, I suppose, cheap midday fares of some kind where we are already carrying a very substantial traffic in the middle of the day, and in order for cheap midday fares of some kind to be a success we should have to attract such a large volume of new traffic that I do not think it is likely to be there. By the third one, single stage charging, I suppose you mean our halving the fares?

1115. It means charging 3d. for threepenny worth of ride instead of charging 4d.?—Does it mean charging 1d. for half a mile and 2d. for a full mile?

1116. As suggested in the scheme proposed last year, suitably modified for this class of traffic?—I can think of fewer better ways of losing money than that.

1117. I do not want to debate with you, but I do not want you to misunderstand the proposal. The proposal is put forward, having the view that if it is not possible to reduce a 4d. fare to 3d. in suitable cases, where the traveller only travels halfway between the 2d. and 4d. stage, he might in those circumstances be charged 3d.

Obviously it has the operations disadvantage, if it has those disadvantages, referred to in your memorandum last year, but those were disadvantages referred to in reference to the whole structure, and this is put forward in an entirely different context?—I think the effect would be much the same.

1118. At least we have your assurance that these are matters which are being considered with a view to increasing net revenue and accommodating the public desires?—Yes.

1119. The last matter I want to put to you so far as the fare scales are concerned, even if it is not entirely a matter of fares scales or related thereto, it is a matter which arises on Page 107 of the Chambers Report, where they say that "Although there are considerable difficulties in making tickets freely available between the different services provided by the British Transport Commission and the services provided by the London Transport Executive, consideration should be given to a broadening of the present interavailability arrangements and to the removal of some of the first anomalies." Has that matter (not simply, perhaps, by reason of the Chambers Report) in any context been considered by the London Transport Executive?—It has been considered, yes.

1120. Within recent months?—Yes.

1121. Is it not the view that greater interavailability would attract more revenue?—No.

1122. To that extent then the Executive's views are against those views as expressed there in so far as they suggest any re-examination of that proposal?—The suggestion here is that consideration should be given to the broadening of the present interavailability arrangements. Consideration has been given to it, but the opportunity for broadening the interavailability arrangements is exceedingly limited.

(President): In any event, Mr. Mercer, the Chambers Committee did not suggest that if there were a broadening of the existing facilities for interavailability, that would result in an increase of convenience to the persons using the services.

1123. (Mr. Mercer): Perhaps I should have put it that my suggestion to you is that any proposal such as that will enhance goodwill and in turn attract net revenue?—I think it is very doubtful.

1124. You are not proposing entirely to throw it overboard?—We are always prepared to look at anything.

1125. Even from those of us who are merely amateurs in this matter?—Yes.

1126. I was going to deal with the second part of my questions.

(President): What are they about?

(Mr. Mercer): So far as they are relevant, questions of operations and, so far as they are relevant, the question of increases. I do not know whether you want to adjourn at this stage or not.

(Adjourned for a short time.)

1127. (Mr. Mercer): If you please, I would like to congratulate London Transport on the speed in which they attend to matters, having regard to the luncheon edition of the Evening Standard which says that London Sunday fares are to be cut. (To the Witness): Mr. McKenna, dealing briefly with the second part of the few matters about which I would like to ask you, is it within your knowledge or recollection that on the 9th July of last year the Chairman of the Committee of Inquiry asked this question from London Transport: "We wonder whether you feel that the present state of affairs is satisfactory, whether the present policy is satisfactory and whether you consider that the existing pattern of services with the standardised buses for all kinds of services in the centre of London, except, of course, the long distance Green Line coaches, is perhaps not unduly conditioned and unduly stereotyped—"

(President): I do not know whether you drafted this question, Mr. Mercer.

(Mr. Mercer): I am sorry, Sir, if it sounds like one of mine. Perhaps Mr. McKenna, without me reading the whole of the question, you may be able to tell us whether it is in your recollection that that question was asked?—I am afraid I do not remember. I do not know

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whether the proceedings of the Committee indicate I was present at the time.

1128. I am afraid I cannot remember whether you were present, but it does appear, of course, that you were present on a number of occasions.

(President): Can we have the answer, if it was answered?

(Mr. Mercer): This question was answered at greater length than the question.

(President): I do not wonder!

1129. (Mr. Mercer): But is it within your recollection, Mr. McKenna, that those topics were discussed in that form?—I do not know if they were discussed in precisely that form, but I know the Committee did consider the form of vehicles used by London Transport.

1130. Well, they were rather more concerned, were they not, with the pattern of vehicles, looking at the pattern of services?—They did consider the pattern of services, yes.

1131. As a result of the answers we get in chapter 9 of the Report, do we not, dealing with the operating factors and dealing with the receipts of London Transport?—You can see in the contents without turning it up in the text that that is so, can you not?—Yes.

1132. So that so far as this matter is concerned, it is a matter which affects receipts, is it not?—It can affect receipts, yes.

1133. In the course of the discussion on the pattern of services, various plans for improving receipts and improving the operation of the services were discussed, were they not, and are not the headings shown in the contents—the matters that were the subject of discussion?—Yes.

1134. Since the 9th July, 1954, I suggest we have had at least two other complicated factors affecting receipts: one is fares increases, is it not?—I do not think it is a complicated factor; I think the effects of the fares increase are not as complicated as that.

1135. At least fares increases affect receipts?—Yes.

1136. Secondly, the loss of personnel affects it?—The loss of personnel in itself does not affect receipts; it is the consequence of the loss of personnel; if you do not run the services you may lose some traffic.

1137. Yes, and you have been losing personnel at the rate of 4,000 a year. I think Mr. James said that they were mainly drivers and conductors?—I think he gave a figure, if I remember rightly, of a shortage at a particular moment of time.

1138. I have not the exact figures in mind, but I suggest they are of the order of 4,000 a year.

(President): I think what Mr. McKenna is not prepared to say "Yes" to is your suggestion that Mr. James said that they were losing at a rate of 4,000 a year. What Mr. James was asked was at a particular time, between one time and another.

1139. (Mr. Mercer): Is that, or is it not, the position, Mr. McKenna, namely that you have been losing staff at the rate of about 4,000 a year?—Again I would not accept "at the rate of". That implies something continuing over a long period; I think Mr. James gave the right answer.

1140. I suggest to you if we look over the past eighteen months that that is the rate which has continued; do you not agree with that?—I have not the figure in front of me.

1141. I see. Well, there has been, shall we say, a continuing diminution in staff; would that be correct?—There has been a reduction in staff compared with some two years ago.

1142. Yes. You are not prepared to say that the drop is continuous? Is that where we part ways?—Yes, that is where we part company.

1143. Well, I can comment on that matter in the light of your own statistics, can I not?—Yes.

1144. We have no need to waste time on that account. At least the effect of that is more pronounced today than it was on the 9th July, 1954, is it not? What I am suggesting is that, first of all, there are fewer numbers of staff today than there were on the 9th July, 1954; and, secondly, that has an effect on services?—Yes, but the effect on the services is rather more complicated, because you can cover

up a shortage of staff to some degree by the remaining staff working overtime. To relate the numbers of staff to the volume of the services is not just a straight forward proportion sum.

1145. No, I am very pleased that we agree so well on that, because that was the point I was going to make; there are ways of overcoming, to a greater or lesser extent, loss of staff, are there not?—There are ways; a loss of staff does not automatically mean a loss of so much service.

1146. That is so. Now, the matters which were considered under this question of operating factors affecting receipts, did, did they not, include a consideration of the pattern of services outside London? I think reference was made, was it not, to America and so on?—I do not recollect that.

1147. You do not recollect the references made to a consideration of the standard charge, for example?—Reference was made to the standard charge. But that is not the pattern of services.

1148. So I have put it under the wrong heading?—A standard charge is a system of charging fares; we call it flat fares, as it is commonly known in American cities.

1149. There was, however, this consideration of what is termed the wheel plan?—Yes.

1150. And various other ways of overcoming the difficulties that were the subject of consideration at that time; that is in July, 1954?—Yes, except the wheel plan was thought not to overcome the difficulties.

1151. Yes, that is at that time when that was considered in those circumstances. There was no sort of forward estimate of what one would do with the loss of staff, was there?—No, I think broadly speaking it is fair to say that the wheel plan was considered in the circumstances of July, 1954 and judgment was pronounced upon it.

1152. What I want to have clear is that this judgment, given in the Chambers Committee Report, did not relate to a period of shortened staff?—Oh, yes.

1153. You say it did, do you?—Yes, we had not got our full establishment of staff in July, 1954.

1154. On this matter, you remember that—or you may not remember—I asked Mr. Winchester in respect of his evidence about any alternative that had been considered, apart from raising fares, to meet the present position?—Yes.

1155. If you remember, I further asked Mr. James whether this year, as sometimes happened in past years, there was anything in the estimates for experimentation of these or other matters?—Yes.

1156. Now regarding these various expedients to which I have referred—and I am not proposing to deal with them in detail because they are not the subject of consideration in a Fares Inquiry—the point I would like to make is this, that these various devices to which I have referred, including the flat fare which you say is not part of operations but comes under some other heading, are devices and plans and means of operations adopted in various parts of the world to meet the various conditions in those places, are they not? They are actual plans of operation, and not theories?—No. They are plans of operation, but I would not say they were adopted in preference to some other plan because they were found to be superior to some other plan that was rejected. I would say in most cases they had grown up. As far as the flat fare is concerned, in America many cities are trying to get away from it, because they are finding it very uneconomical.

1157. I am not suggesting you should adopt the flat fare or any one of these methods; what I am suggesting is that it does appear that no consideration has been given to this problem by London Transport except by raising fares?—No; it does not appear at all.

1158. It is not suggested that any experiments should be made to find any way out of this difficulty other than continually raising fares?—The services are constantly under review. Little adjustments are constantly being made to services here and there; there are, as I think Mr. James said, experiments going on with one-man operations in the country areas in suitable places, although the field for experiments is not very large. It is true that when we need sums of money of the order of £2m. or £3m. we have not succeeded in finding any other method of bridging that gap except by raising fares.



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1159. It is true, is it not, that so far as you operate in the Central Area or in areas which are similar to the Central Area, you are operating a metropolitan service with very great difference to that, according to your own evidence, operated in some provincial areas?—The conditions of operation are very different, yes.

1160. I suggest to you that so far as you operate these metropolitan services, you operate them under a provincial pattern of operation?—I would not accept that. You could equally well say that provincial operators have copied the pattern in London. The appropriate pattern has grown up according to the needs of the city.

1161. The high frequency services give rise, do they not, to a great deal of short distance traffic?—There is a great deal of demand for short distance traffic in London, and in order to meet that demand the services are of a high frequency.

1162. But you do not operate those high frequency services in any way differently from the services operated outside the Central Area, do you, by and large?—I do not follow your question. We operate buses in the same way if they are of high frequency or wide headway; they have a schedule and they run to that schedule. In one schedule there may be 20 buses an hour, and on another schedule there may be 10 buses an hour.

1163. By the time that bus has done its long journey, wandering through the suburbs and arrived in the Central Area, there is then considerable bunching through the Central Area to the other end of its journey?—All bus routes are not of the same length by any means; but it so happens that there is a great demand for travel crossing the boundary of the Inner Central Area. For those passengers it is more convenient to remain on their bus rather than to be tipped off at the boundary and have to get on to a new bus, starting at the same point.

1164. But in any case, that is a matter of operation which is precisely the same as that which takes place in provincial centres?—It is the same kind of operation.

(President): Be it so. What have we got to do about it here?

(Mr. Mercer): I now propose to leave that, but I was putting this point on the view that there are alternatives to the proposals to raise fares, and I leave it at that stage.

(President): I should like to hear your proposals quantified in terms of money.

(Mr. Mercer): I agree that would be most helpful, but of course that is a task which apparently even the LCC at this stage do not feel like attempting to undertake. Therefore, I feel I may be excused from attempting it on behalf of my clients.

(President): If you can be excused trying to quantify it, we may be excused from attempting to take it into consideration. We must have something to go on.

(Mr. Mercer): Yes, Sir. As I said earlier, it may be that the stage may be reached where you feel there is a sum of money which it would be desirable that the Executive should raise, but that sum, by reference to even exactly unknown measures of economy or improved operation, is such that you would feel prone to refuse the Application since although there are unknown alternatives, they are sufficiently rare to be weighed in the balance in favour of the Objectors' case.

(President): Tell me the most important new method of operation which you are going to suggest; most important as measured in its financial advantage to the Commission. Which change would bring it the greatest amount of additional money?

(Mr. Mercer): Well, Sir, I do not know which change will bring the greatest additional immediate money, but I am informed that there is a method of saving money, not by a change of operation but by continuing the present use of the trolley buses.

(President): We have not come on to that yet; perhaps you were coming on to trolley buses, if you were allowed to. If that is the most important suggestion, you had better come to it first.

1165. (Mr. Mercer): I was only going to deal with that because it can be, to some extent, quantified. I did want to make the point that there were possibly others as well. (To the Witness): On the question of the trolley buses, I do not know if you were here when I put some questions to Mr. James on the matter of the withdrawal of trolley

buses from service? Do you remember that it did appear that more trolley buses were being withdrawn in relation to diesel buses than would be justified by comparing the service miles of the two types of transport?—Yes.

1166. And on that matter, on the question of the trolley buses, of course the Chambers Committee of Inquiry did say that in their view, having regard to their considerations at that time, they endorsed the proposals of the Executive?—Yes; it is paragraph 296.

1167. If you would like me to refer to it, I will refer to the point which I think is relevant to the question of saving money and the question of fares. At the bottom of paragraph 296 it says: "If ordinary working expenses only are taken into account there is not much difference between the operation of oil buses and trolley buses, but when the capital expenditure on equipment, including sub-stations and road installations, is brought into the calculations and when the advantages of the oil buses from the operating point of view are taken into account (even though this factor is not capable of precise financial measurement) the scales come down in favour of oil buses. Operationally the oil bus is superior to the trolley bus because of the greater flexibility in fixing and in modifying routes which is possible with an oil bus." That, of course, I suggest was said without reference to the possible continuing diminution of staff; although you have not agreed there is a diminution, I suggest that that was said in that context?—I think there has been some shortage of staff on the trolley buses as well as the buses. From that point of view there is nothing in it.

1168. You would agree, would you not, that the trolley bus does carry about 25 per cent. more people than the diesel bus does?—It is 61 against 75; the diesel bus is 61, 56 plus 5; and the trolley bus is 70 plus 5 on the present pattern.

1169. So that when you withdraw one trolley bus, you cater for that number less than you do by withdrawing one diesel bus?—Not necessarily.

1170. Well, I am just a simple person and it does seem to me that if one seats more than the other, by withdrawing one you do not cater for that number.

(President): Unless you substitute for it by two, of course.

(Mr. Harold Willis): Or if neither of them is full.

1171. (Mr. Mercer): Well, I know that if neither of them are full we cannot compare them at all, can we?—It is a much more complicated matter than just taking arithmetical relationships between the maximum capacity. What is important is the duration of time during which the maximum capacity of either of those vehicles is being used. Outside the height of the peak, the higher capacity of the trolley bus is not being used and you can provide just as good a service with the smaller capacity vehicle as the higher capacity vehicle. In connection with any change over from trolley buses to diesel buses, a very careful examination has been made of the traffic offering and the schedules and with the aid of a little flexibility of schedules, that is bunching up the buses to cover the height of the peak and spreading them out a bit outside the peaks, we have found that we can provide as good a service with something rather less than the strict arithmetical proportion of buses in relation to trolley buses in relation to their maximum capacity. Incidentally a new bus is being designed with a capacity higher than the present bus to go towards closing that gap.

1172. You think there is a gap which may have to be closed?—Not "may have to be closed"; we are designing a bus with 64 seats instead of 56 so that on a maximum capacity the new bus is somewhere very near the present trolley bus.

1173. The trolley bus, as at present operated, is to some extent, is it not, analogous to the operation of a wheel plan, as it is referred to here, in the sense that it brings people into the Central Area and then they go on other services?—In some cases "Yes", and in other cases "No".

1174. Well, the trolley buses operate, do they not, so as to come into various points such as Holborn, Fitzroy Square and Farringdon Road?—Just as buses are operated to come into Victoria Station.

1175. But they do not operate in the Central Area?—Not right across the Central Area; we often wish they could.

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[Continued]

1176. Do you consider they are a suitable medium for Central Area traffic?—Trolley buses? It is rather difficult. We think a bus is better for Central Area traffic.

1177. We thought that; but you still want them to come in. Is that because you want to continue this pattern of through services?—We would like the vehicle which carries the traffic now carried by the trolley bus to be able to continue its journey beyond, in some cases, the rather artificial terminal of the trolley buses.

1178. That is all a matter of planning and organisation, is it not?—Yes.

1179. So far as the trolley buses are concerned, it is something we have at the moment?—It is something we have, but which in quite a short while has got to be replaced in any case.

1180. Is that because of the generators?—No, the vehicles; they do not last for ever. Like any other vehicle, they have to be replaced and a lot of electrical equipment has to be replaced.

1181. So of course do diesels?—Yes.

1182. But the installations for running the trolley buses are there, are they not?—Installations for a trolley bus may mean all kinds of things; it may be a brick building, a sub-station, etc., but there is equipment in the sub-station which has to be renewed periodically. It may mean mending the poles; again, I am not sure how long a pole lasts, but wire has to be renewed periodically.

1183. Are you suggesting it will cost the same to suddenly replace them as to continue replacement in the normal course of events?—They would not be suddenly replaced, but replaced as they were required over a period of years on a programme.

1184. It has been suggested to me that it will cost about £15m. ?—I have not the figure with me, but all these factors were examined in the first place by the LTE when they reached their decision and the ground was worked over again by the Chambers Committee, and they came to the same conclusion as the London Transport Executive.

(Mr. Harold Willis): It is at paragraph 296, if you care to read it.

(Mr. Mercer): I am prepared to read it all.

(Mr. Harold Willis): The last sentence is all you need read.

(Mr. Mercer): It reads, "We consider that in their decision in this matter London Transport have taken questions of economy and efficiency fully into account and that their method of handling this difficult problem was up to the highest standards in industry".

(President): Are you going to suggest that we should, in some mysterious way, order London Transport to re-institute such trolley bus services as have been discontinued?

(Mr. Mercer): No, Sir. I suggest that again this is a matter where there is at the moment the possibility of economy. Whether they eventually replace the trolley buses or not, is another matter.

(President): The Chambers Committee did not think there was a possibility of economy.

1185. (Mr. Mercer): They were considering this matter presumably over this long-term period without regard to the factor of diminishing staff. All I am saying is that if this is an era where we have to have fares increases and we can put up with something which we have for the time being, then we have to put up with it. (To the Witness): Do you not agree, Mr. McKenna, that that is common sense?—No. In any piece of mechanical apparatus it becomes more expensive at some time to keep it going than it would be to replace it with something new.

1186. It is going to be more expensive to maintain the trolley buses than it is to maintain the diesel buses?—That is a different thing. We are reaching the stage when it would be more expensive to maintain the trolley buses than to replace them with other trolley buses; but it would be still more economical not to replace them with other trolley buses, but to replace them with diesel buses.

1187. That is, again, a matter where we part company. I am simply suggesting that in the present phase, this is a matter which does affect receipts or the financial position of the Executive in such a way that we cannot afford to

follow out the plan which is proposed there. You do not agree, I take it?—No, I think the Executive have found the most economical solution in the circumstances.

1188. Finally, on this question of operations, reference has been made to the possible savings in maintenance costs. You remember that some questions were asked of Mr. James on this matter?—Yes.

1189. It would seem, would it not, by Mr. James' replies to those questions, that not entire approval of the Committee's report is felt by the members of the Executive?—I do not think I can help you much on this subject, I am afraid.

1190. All I wanted to put to you was this: On this question of maintenance and the possibility of saving, the Committee of Inquiry were more than fair to London Transport Executive in the views that they finally came to as contained in paragraph 238?—I do not know what question you want me to answer.

1191. I put it to you that the procedure adopted for this and other matters was that written questions were directed to the Executive to which the Executive replied at such length as they wished, and I think on this matter they submitted another Memorandum, and then the members were invited to appear before the Committee and give any further explanations. In other words, the London Transport Executive had the last word on this matter, as on other matters?—I can go with you up to the point dealing with the procedure of the Committee. They sent out certain written questions to which they received certain written answers. Then various members of the Executive, the Chief Officers concerned, were invited to appear before the Committee to amplify the answers or to answer any other questions. But what happened thereafter I am afraid I cannot help you about.

1192. I am suggesting to you that any decision that was made was made having regard fully to the views of the Executive?—I am afraid I cannot help you as to what was in the minds of the Committee of Inquiry.

1193. I will just put it to you that that is a real saving there and that the decision was reached having regard to all the matters that were put forward against any such view being arrived at?—As I say, I cannot help you on that.

1194. The last matter I would like to refer to very briefly is a matter which arises out of the decisions referred to in paragraph 471 on page 107 of the Committee of Inquiry's report: "The allocation of duties to the Chief Officers is on a purely functional basis and there is no General Manager for each of the separate services (Central Buses, Country Buses, Coaches, Trolley-buses and Railways). Co-ordination of functions (e.g. operating, maintenance and power supply) takes place only at the level of the Executive itself. A reorganisation which would permit of co-ordination of all the functions related to the separate services at a level lower than that of the Executive should be considered. This would involve the appointment of General Managers for each of the separate services". I take it, of course, that that matter has not yet been considered by the London Transport Executive?—Again I am afraid I am only a Departmental Chief Officer in London Transport, and this is not the kind of matter that comes within the purview of my department.

1195. In any case, the point that I thought arose from that is this: It seems, does it not, that no recommendation, either for the temporary withdrawal of trolley-buses as referred to in Mr. James' evidence, or the later withdrawal of them all, came from any Manager concerned with trolley-buses as envisaged in this paragraph?

(President): What is your meaning, Mr. Mercer? As there was not a General Manager, no recommendation could come from him. You need not bother about that question; it is obvious.

1196. (Mr. Mercer): It is a matter for comment, I agree. (To the Witness): I take it also, Mr. McKenna, that again the question of the relationship between the London Transport Executive and the British Transport Commission has not been considered, so far as you know, by the London Transport Executive?—No. It has certainly nothing to do with the Commercial Department of London Transport.

1197. I would suggest to you, however, that that again is a matter which must vitally affect fares policy.

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[Continued]

Re-examined by Mr. HAROLD WILLIS.

1198. Let me try and deal with the points in re-examination as shortly as possible. One of the crucial figures for which you are responsible is the figure of £72.4m. as the estimate of gross receipts for the London Transport services in "B" year before the suggested alterations?—Yes.

1199. It was to that figure that I apprehend my learned friend Mr. Geoffrey Lawrence was really directing almost all his questions?—Yes.

1200. In order to reach a figure for a future year, the London Transport have on this occasion, as on previous occasions, adopted a particular approach, have they not?—They have, yes.

1201. Has the approach, first of all, involved looking at the actual results of the last completed year?—That is so, yes.

1202. That is the starting point for the exercise?—That is the basis upon which we make a future forecast. We see what are the actual results of the last completed year.

1203. And, having got those actual results, do you reach a figure for the future year after making certain broad adjustments in regard to those actual results?—We do, yes. As an example of a broad adjustment there is the effect of an increase in fares. That obviously makes a major difference.

1204. The approach which was suggested to you by my learned friend Mr. Lawrence involves an arithmetical exercise, does it not, and gives a precision to certain figures which the London Transport Executive think those figures should not bear?—That is so, yes. In making adjustments it is possible to identify certain matters which are appropriate for adjustment, but then there are a hundred and one other matters which may arise and may affect the level of travel, some one way and some the other; but we would not seek to put a precise value upon every single item we could think of. We would deal with the estimates on a much broader basis.

1205. The broader basis in the light of the judgment you have formed in regard to the broader matters?—Yes.

1206. Did you, for instance, have regard to the traffic that is likely to be offered in the future years?—Yes.

1207. For instance, in the table which was put to you, LCC 407, attempt seems to have been made, looking at column (b), to calculate the precise yield obtained from the increases in the 97 days?—Yes.

1208. That was apparently the object of the arithmetical exercise you were taken through?—Yes.

1209. In your view, is that a proper or satisfactory way of calculating that for the purpose of a future year's estimate?—I do not think it is. When we supplied the figures in the top half of LCC 407, I think I made it quite clear at some stage that under column (e) for example, we showed a figure for the allowance of traffic offset by the bad weather and roundings and we lumped those in as a whole figure because we did not think that any of those individual items taken by themselves were capable of very precise estimation.

1210. In regard to the estimate of yield from increases, is it possible, in your view, to say precisely what has been yielded?—It is not possible to eliminate the effect of the increases, to isolate it from all the other factors going on; although we can, on a broad view, see whether the increases over a period appear to have been reached or not. There are so many other factors at work at the same time that I think it is the wrong approach to try and put a value upon every individual factor.

1211. In your case, what you have done with the increase is, having made your estimate of yield last time, you then apportion that part which was received in 1954 over the period in accordance with the proportion that the total receipts in the period bear to the rest?—That is so, yes.

1212. Is that the way in which you made such an apportionment on previous occasions?—It is, yes.

1213. Let me ask you this general question in regard to the estimate of "B" year for London Transport. You have made that estimate in the light of last year and in the light of your general experience over the years?—Yes.

1214. Do you take the view, with all that experience and applying the best judgment you can, that that estimate certainly does not understate the receipts which you are likely to get?

(President): Does not "understate" or "overstate"?

1215. (Mr. Harold Willis): Does not understate. (To the Witness): You are not putting too low what you expect to get from London Transport in "B" year?—No, we are not putting it too low. I think the likelihood is that when we come to the end of the year we shall fall short of this figure rather than be over the top of it.

1216. I understand that Mr. Hill is going to say those receipts are understated and that they ought to be something up; not the million by which he said they were too low last time, but some figure less than a million this time?—Yes.

1217. You say that your estimate is too high?—Well, from the experience we have had of it this year, it looks as though it will turn out to be high as an estimate for 1955. I would like to say that this estimate of £72.4m. was not primarily prepared for the purposes of this Tribunal. It was prepared for our own purposes as a basis, so we could get at the probable results for 1955.

1218. So much for the London Transport receipts. You were asked a few questions in regard to London Lines?—Yes.

1219. You have made allowance there for a slight upward tendency of £0.3m.?—Yes.

1220. Does that, in your view, pay adequate regard for the greater buoyancy of traffic there than in other parts of London?—I think so. London Lines serve in the main the outer areas where there are two factors at work: there is the downward trend from the private car competition, and the growth of television and the things which would affect the inside London traffic; but that is offset to some degree by an expanding population. When you balance one of those factors against the other, I think the small increase is about right.

1221. May we for a moment look at LCC 405 and 406, in regard to which you were asked a few questions. The questions were, I think, designed to show, first of all, that Central Road Services are more vulnerable than other parts of your operations?—I think that was the design of the questions. I would agree that we have lost traffic on the Central Road Services and we have not lost traffic to the same degree on the other forms of transport.

1222. That is what you would expect, would you not, because there are certain special factors operating against the Central Services more strongly than against the other services?—Yes.

1223. For instance, the private car, apart from carrying passengers who might travel on the public services, causes a congestion in the Central Area?—Yes. I think the secondary effect of increased private motoring is a very serious one. With the larger volume of cars in the somewhat inadequate streets of London it means that the flow of traffic for all vehicles, including the buses, is slowed down and made more irregular; and as a result of that we lose quite a substantial amount of the short "hop on and hop off" traffic because, as Mr. Sewell said, people will not wait for a bus. If it is not in sight, they would rather walk than wait.

1224. Similarly if they are going along, say, Piccadilly, and they see a solid block, they will say to themselves: "It will be quicker if I walked"—"It will be quicker if I walk rather than wait for a bus which may not get through for some minutes". That is a factor which affects the Central Road Services at the low fares, but does not affect in the same way the railways or the country buses.

1225. (President): Can you deal with LCC 405 and, to save me the trouble of going back, tell me which of those fares were unaltered last time?—The 2d. was unaltered, Sir; the 7d. was unaltered and the 1s. and over were unaltered.

1226. (President): The 11d. was an altered fare, was it?—The 11d. was altered, Sir, yes.

1227. (Mr. Harold Willis): You pointed out in answer to my learned friend yesterday certain of the criticisms you make of this comparison, that they are different



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[Continued]

test periods and so on and that they were both estimates. Let me just ask one further point about LCC 405. In fact that contains the backward journeys of the early morning passengers?—It does in the case of Central Road Services, yes.

1228. To take one example, the 6d. fare here (which was the old 5d. fare) shows a drop of £98,470. Have you got a figure there in which one can get rid of the backward journeys of the early morning passengers?—Yes. For our own purposes we worked out the figures in our way, keeping the early morning traffic separate from the ordinary; and the 6d. fare would have shown a figure of £106,536 in the plus column.

1229. If it is suggested that these tables, or either of them, indicate, the effect of fare increases by way of reducing traffic, do you agree that any such inference can be drawn?—No, I do not. If one assumes for one moment that the decline is due primarily to the fare increases, then one would expect to see some similar decline on the railways and some similar decline on the country buses, because the fares are the same.

1230. Do you find that?—No.

1231. I do not think I desire to ask you any more on those two tables. My learned friend asked you to give him certain figures in connection with the lost mileage in 1954. Do you remember that?—I think I volunteered it actually.

1232. You gave a figure for the period 26th September to 31st December at the lost mileage, a figure which represents a loss of 8·57 per cent.—I did, yes.

1233. And I think you told him that that did not include the strike effect?—Yes. I think I said that that was an adjusted figure after taking out the effect of the strike. I am afraid I was wrong over that. The 8·57 per cent. decline was the unadjusted figure without taking out the strike, and if the effect, the direct effect, of the strike is taken out the figure is 5·62 per cent.

1234. I am much obliged. You were asked certain questions about staff and losses of staff, and my learned friend Mr. Mercer suggested that it was at the rate of 4,000 a year. It may be convenient if we just look at Paragraph 310 of the Chambers Report where the figures are set out from 48 to 53, where we see that the rate of 4,000 here certainly has not applied over those years?—Yes.

(The witness withdrew.)

(Mr. Harold Willis): That, Sir, is the case for the Transport Commission.

(Mr. Geoffrey Lawrence): I hope and believe, Sir, that in the course of my cross-examination I made clear the few points that I desire to take on behalf of those clients that I represent, therefore, subject to your better view, it would not seem necessary that I should take the Tribunal's time by way of an opening speech, but proceed

Mr. STANLEY WILLIAM HILL, called.

Examined by Mr. GEOFFREY LAWRENCE.

1244. Mr. Stanley William Hill, I do not propose on this occasion to take up time by introducing you to this Tribunal. It would be enough, I think, if I say your qualifications and experience in these matters are fully set out on the Minutes of Evidence on Page 131 of the proceedings relating to the 1954 Passenger Scheme. You will be satisfied with that?—Yes.

1245. I think we can proceed at once to that part of the case that you have been dealing with, and that is your examination and criticism of the figure of £72·4m. which is, we are told, Mr. McKenna's estimate of the gross receipts of London Transport for "B" year at the old charges?—Yes.

1246. In spite of the gloss, as I submit, that he attempted to put on that calculation by his evidence in re-examination, do we start from the evidence which he gave in chief somewhat over a week ago?—Yes, I think so.

1247. At Questions 284, 285 and 287, if the Tribunal would just permit me to remind ourselves of that, Mr. Fay was examining Mr. McKenna upon this figure and at Question 284 he said: "What was the basis upon which you started in making the estimate for 1955 which

1235. "At the rate of" suggests that it has been going for some little time?—That is what I had difficulty in accepting.

1236. That is what you are anxious to correct; a loss of one day might be at the rate of 4,000 a year?—Yes.

(Mr. Mercer): I did say over the past 18 months or so.

1237. (Mr. Harold Willis): May we just finalise the position so far as your evidence is concerned, Mr. McKenna, in this way: assuming that the financial position of the London Area in "B" year is as shown on the tables we have put in—just assume those figures are right?—Yes.

1238. Expenditure and receipts, London Transport and London Lines; do you from your point of view see any way of meeting the deficiency shown up on those tables except by raising the fares?—No, I do not.

1239. No alternative ways of meeting that amount of money have been suggested to you in evidence?—They have not been quantified, certainly.

1240. And are you satisfied that the best way of meeting that amount of deficiency is by the alterations which are involved in this scheme?—In the present circumstances, yes.

1241. Those being the alterations in fact, which are now in operation under the temporary law?—Yes.

1242. (President): Mr. McKenna, this is purely arithmetic, to save me the trouble. Would you get some of your people to put down on a sheet of paper the actuals for the period in 1954 after the change of fares which began on 26th September. You remember, Mr. Lawrence put to you figures for the last three periods. I want on a piece of paper in one column the estimated figures which you find in BTC 709 and then I want the actuals as realised?—Yes—fill up that column of actuals in BTC 709.

1243. (President): I do not want the whole column filled up. If you like to fill it up do so, but I want it from 26th September. If it is equally convenient fill up the whole column from the beginning of the year?—Certainly.

(President): If they would add up the two columns it would be even better!

to call my evidence at once. That evidence will on this occasion be limited to the evidence of Mr. Hill, who will deal with those calculations, and what he thinks are the inferences to be drawn from them, that I put to the last witness, Mr. McKenna. The London County Council Tables, I am happy to say, have been agreed as figuratively correct therefore I can found my later submissions on those without calling any witness to prove them.

has been taken for 'B' year", the answer being: "The basis of the estimate was the actual results for 1954. That is the figure of £70·7m." Question 285: "That is shown in Column 27—in Column 2 at Item 3". The witness then immediately added: "Then certain adjustments were made to that figure". Then he detailed, you remember—I will not take time by reading them—the upwards adjustments which he had made, downward variations, having specified the actual amount of upward adjustment for the increased yield of the new fares, and in Question 287 he said "The net effect of these other adjustments—apart from the adjustment for the increased revenue from new fares—was a decline of £0·35m. So that over-all we estimated a net increase over 1954 of £2·33m., which is the £2·68m. for the new fares less £0·35m. from these adjustments, and in this way we arrived at a figure of £72·4m. for 1955 at the old charges"?—That is so.

1248. Rightly or wrongly, did you take the view that the calculation, therefore, which had led to the final figure of £72·4m. was rather more than less a precise calculation based on the starting point of £70·07m. actual results for 1954 with quantified adjustments up or

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[Continued]

down to bring it into line with what was thought to happen in 1955?—It seemed to me that the calculation that had been made had been one built up by plussing and minusing for every major factor and that in consequence it purported to be an estimate as accurate as could be made under the circumstances, though no doubt rounded off at the end of the calculation. It was also noted that a net difference of items was expressed, and I felt that it was necessary to see whether that net difference probably represented, for quite large figures, some in the plus category and some in the minus category.

1249. As a result of that, did you seek, or did our clients seek, further information from Mr. McKenna?—Yes, which he readily gave; the figure shown at the top of Table 4 is the one.

1250. The yield of fares revisions, September, 1954, further effect in 1955; we had already had that £2-68m. He then gave you, did he not, the increase of value at traffic clearances at £0-03m.?—Yes.

1251. The effect of the strike in 1954 at £0-36m., the effect on revenue of reduced mileage in 1955 compared with 1954 at £0-31m.?—Yes.

1252. And then the final figure of £0-43m. was still in the nature of a composite figure, the result of plussing and minusing?—That is so, yes.

1253. It is that figure that you have treated to further examination, that £0-43m.?—That is so, yes. And one other, too.

1254. Before we deal with that, does it seem to you, if I might put it somewhat crudely, that the estimate of 1955 of £72-4m. is not by any means a figure so to speak snatched out of the air, but one built up stage by stage on calculation?—Yes; I grant that when one gets to Item E judgment comes into it much more than perhaps in the other items. I think that conclusion is quite inescapable. At the same time it does appear to me an attempt to build up a figure piece by piece as accurately as possible.

1255. Let us go, then, to this Item E, £0-43m. It appeared to be the net difference, did it not, between the amounts attributed to two factors, a minus element of loss of traffic, and a plus element for the abnormally bad weather in 1954?—Yes, that is so.

1256. There is no doubt about that?—No doubt about that.

1257. Did you direct your attention, then, to the figure that ought to be put in or could reasonably be put in for the effect of abnormally bad weather in that year?—Yes. I examined the figures as closely as I could and I formed the opinion that the figure was probably of the order of £½m. I know that it is not possible to isolate any one of these factors entirely from the influence of others, but I was happy to know that the figure was accepted, as near as no matter, by the Commission as being a fair measure of that factor.

1258. Does it follow from that that in your view the estimate for 1955 can be restated in the form that we see in column A on LCC 407?—Yes, it does follow of course from that. If the £0-5m. is correct, or as near as no matter correct, then the column A presentation of the BTC figure just follows automatically.

1259. For the purposes of the record of your evidence, I shall draw attention to the item of £2-68m. and the way you have treated it in that restatement of the BTC estimate. What you have done is to take the full annual yield of the increase in fares for 1954 at the figure of £3-7m.?—Yes.

1260. Which is a firm figure, is it not?—Yes, as the estimated yield.

1261. Then it would follow merely as a matter of arithmetic, that if £2-68m. is the figure of receipts in that part of the year that lies in 1955, £1-02m. is what is left for the remaining period of 1954?—Yes. It is exactly the way in which the Commission have done it except that it shows the stages by which they have arrived at it.

1262. Then adopting the other figures that you were supplied with, it leaves you with £73-3m., which is higher than the figure of £72-4m., and in order to reach a figure of £72-4m. it means that £0-93m. must be deducted?—Yes, it throws up the amount that has been allowed for this alleged fall off in the BTC calculation.

1263. Neither you nor I would suggest that that is an element, if it is to be allowed at all, that could be reasonably quantified by an exact figure?—I readily agree that this is one of the most difficult things, it has proved so in the past and will always do so. It is a very difficult factor to take into account. I would just like to say at this stage if I may the £0-93m., to me at any rate, was surprisingly high.

1264. One of the purposes of the column A table is to throw up into relief the actual amount that is allowed for that fall in a calculation which ends up with £72-4m.?—Yes, that is so.

1265. So we have something to look at, and if we think fit, to criticise?—That is the purpose of it, yes.

1266. Are there two matters in that estimate which in your opinion may be the subject of criticism, not merely the amount allowed for further fall in traffic, but something else as well?—Yes, that is so.

1267. I want to get you now to deal with these and, following the order in which I took them in cross-examination, will you deal with the point that arises on the yield of the new fares, the new 1954 fares in the remaining part of the year 1954?—Yes. Approaching it first of all on the assumption that the 1954 scheme succeeded in producing this £3-7m. which the Commission maintained it did, it might very well be that the 1954 scheme did or will have had an influence on receipts, that is £3-7m., and I will address some remarks to that a little later. It is fairly evident, however, that in a short period in 1954, in which the 1954 Scheme increases were in force, the amount of additional revenue received by the Commission was less than a proportionate part of the £3-7m. When I say proportionate, I mean either on a day's basis or a day's basis allowing for the seasonal variations which the BTC's budget figures purport to allow for. Indeed, it would appear that the amount of additional revenue received in that period of 97 days could more accurately be put at about £0-7m. than at £1m. Of course, neither of those figures can be absolutely precise, but it should not be difficult to get to a fair degree of precision.

1268. We will examine the figure of the order of £0-7m. in a moment, and see what foundation there is to rest that upon. If in fact that is the nature of the figure, then it would follow, would it not, on the assumption that the full annual yield is to be £3-7m., that Mr. McKenna's figure of £2-68m. must be increased to £0-3m.?—Yes, that will follow automatically.

(President): We are all proceeding on the assumption that the estimated yield of £3-7m. was—or rather will be—realised.

(Mr. Geoffrey Lawrence): Yes.

(The Witness): Precisely; that is most important and it is one of the considerations to which one has to direct one's mind when one comes to perhaps filling the gap in Line 13.

(President): You have just said it is plain that a proportionate part of the £3-7m. was not realised. The proportionate part, I suppose, would be something about £0-98m. or £0-99m. A proportionate part purely on days would be £0-98m. If one takes the figures in the Commission's budget, it is £1-01m. or something like that; there is hardly anything between those.

1269. (Mr. Geoffrey Lawrence): Unless we are all living in the world of total reality, the figure of £3-7m. is something everybody accepts, which the Tribunal last time accepted, accepted by the Commission and accepted now by us?—I must say now that I myself am not convinced that the Scheme produced £3-7m. That is a consideration to which I would not have regard later on. I am not satisfied it did, but it does not impair the validity of that calculation as long as you remember it might have to be dealt with. There is, of course, one point which I think is quite important here. The fact, if it be a fact, that the Scheme only produced £0-7m. in this initial period, itself does not indicate that £3-7m. would not be realised in a full year. The initial unfavourable reaction to the increases could very well bring about a decrease in that first three or four months, and nevertheless the Scheme could carry on to produce the £3-7m. in a normal year after that period. I am not saying it has, but there is nothing strange in that ratio of £0-7m. to £3-7m.

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[Continued]

1270. (President): There never will be a full year, will there? There can only be 8 months and a bit, and those 8 months and a bit have now elapsed, and therefore we do know at any rate *in toto* what has been received?—We do know what has been received.

1271. The difficulty is surely that we cannot with any certainty put our finger on that amount which we know has been received and, say, divide it into two lots, the old fare product and the increasing product; it is not like income tax and supertax?—No, Sir, there is no mathematical method of disentangling those two.

1272. (Mr. Geoffrey Lawrence): Whether the £3.7m. is a real figure or only something on which we are all working, in fact it is a figure that seems to have been used by the British Transport Commission in their forward estimate as the basis for their £2.68m.?—It has been, yes.

1273. Therefore we are criticising their table using the assumption they have used?—That is so, yes.

(Mr. Poole): It is conditioned, Mr. Lawrence, by the old £0.93m.

(The Witness): I do think when you get to the end you have to say: Now is there a probability that the 1954 Scheme is not making its target, is not getting there? For that reason I certainly think some discounting has to take place at the end.

1274. (Mr. Geoffrey Lawrence): That will come in when we reach the second point of criticism, namely the deduction for further fall in traffic?—Yes.

1275. (Mr. Geoffrey Lawrence): I am very happy, Sir, because it helps us all if we take up these points as we go along. (To the Witness): Have you performed the two tests that I put to Mr. McKenna to see whether or not it is not a fact that the true yield over those 97 days is something of the order of £0.7m.?—Yes, that is so.

1276. I put the figures which you got out to Mr. McKenna, and I think we can save distribution of pieces of paper (at any rate on these calculations) unless you have them set out, by just shortly repeating them in your evidence, Mr. Hill?—I think I have one odd copy here, which may be of some use.

1277. There may be some other matter on it which perhaps it would not be desirable to hand on?—No, a little scribble on the side.

1278. Argumentary matter which forms the proof of your evidence, but have you an unblemished copy of these figures?

(President): Would it not be a good thing, Mr. Lawrence, if you took him through the figures and then if you put them on paper and handed them in tomorrow, unblemished?

(Mr. Geoffrey Lawrence): I think it would help you if you could see them. (Document handed to the President.)

(Mr. Harold Willis): I would not mind having a blemished copy. (Document handed.)

1279. (Mr. Geoffrey Lawrence): The first test, you start by taking the BTC budget figures at pre-1954 Scheme fares for the four-weekly periods 11, 12 and 13. They are taken from BTC 709, page 166?—That is so, yes.

1280. And those figures are these, are they not, period 11, £5,400,000?—Yes.

1281. Period 12, £5,392,000; period 13, £5,239,000?—Yes.

1282. In the aggregate £16,031,000. Then you take side by side with that the actual figures, period 11, £5,261,000; period 12, £5,557,000; period 13, £5,388,000?—Yes.

1283. But to the 11th period, £5,261,000, you add Mr. McKenna's figure of £0.36m. for the strike loss, giving you a figure adjusted of £5,621,000?—Yes.

1284. Adding those together it gives you a total of £16,566,000, and if you subtract from those adjusted actuals for budget figures you find there was an increase over the budget for 84 days contained in those three periods of £555,000?—Yes.

1285. And as the budget figures were for the receipts at pre-increase fares, the difference between that and the actual gives you £555,000 for 84 days, the increase due for the new fares?—That is so, yes.

(President): Increase after the new fares?

(Mr. Geoffrey Lawrence): After the new fares.

(President): That is the whole of the argument, Mr. Lawrence.

1286. (Mr. Geoffrey Lawrence): Of course it is, Sir. Much metaphysical speculation over the centuries has been devoted to the difference between those two things. Then you have taken a proportionate figure for 97 days?—Yes.

1287. Will you just explain that, Mr. Hill, because a point was raised yesterday, I think, by the learned President in your absence that there were some figures available for the two weeks or part of the two weeks in September that were involved, and Mr. McKenna, I believe, is getting out the actual figures?—That is so; they were not publicly available. The only publicly available figures were those available in the four-weekly periods, that is to say, 3 four-weekly periods making up in all 84 days, and they were therefore the only figures I could use, the period that preceded it having, I think, 13 days of the old fares and about 15 days of the new fares. It was not therefore possible to take the published figures and split them up. The test proceeded on the basis of the 84 days. It was then adjusted to give a figure for the 97 days.

1288. What do you say about taking a proportionate figure like that?—It is as near as no matter for getting this. You are getting down to the second place of decimal. Any error can only be in the second place of decimal, so it does not really matter. Certainly it is a little crude in that, for instance, the 84 days includes Christmas Day and Boxing Day and you only have them once, therefore it is not quite 97, but it makes very little difference.

1289. At any rate, it gives you a resultant figure of £618m.?—Yes.

1290. Before we pass to the second test, in your view is there any need to make any further adjustment to those budgetary figures which are your starting point for any fall in the volume of traffic, so that the £16.031m. would itself have to be adjusted before you compared it with the actuals?—No, not to any significant extent, certainly that would affect the figure of £0.6m. that emerges. You would have to have a tremendous fall-off, a very, very large fall-off in traffic as against the original budget in those later months to hoist that £0.6m. up to £0.8m. or £0.9m.

1291. Mr. McKenna raised that point when I put this test to him, therefore I must get you to deal with it. In attempting to deal with it with him I put some further figures to him which related to this matter and which you have got out by way of testing it.—Yes.

1292. Those are also conveniently contained, are they not, on one or two sheets of paper? I do not know whether we might do the same thing today with those and then tomorrow, before the Inquiry closes, we can have them properly got out for the purpose of incorporating them in the records?—I am sorry, I have not proper copies of these.

(President): I have been a little puzzled, but I have been doing my best. I think you gave me a copy of this when you ought to have been giving me a copy of the other. So I now have two comparatively unblemished copies.

1293. (Mr. Geoffrey Lawrence): Let us pass to a consideration of this second document. You take two tests of this matter, Mr. Hill?—That is so, yes.

1294. And you take first of all the period prior to the introduction of the increased fares on September 26 of this year?—Yes, first of all to see if there was any significant change between the actual results up to that date and the "Z" year estimate for that date. It will be recalled that for the purpose of the estimate of gross receipts, "Z" year and 1954 were one and the same thing for that purpose. It was the 1954 estimate that had been used for that year. So, to start off by taking the British Transport Commission's budget figure for 1954, or at least for the 8 first periods of 1954—

1295. (Mr. Geoffrey Lawrence): I see it is 8 on this document, but the point arose this morning as to whether it was not 9?—It is 9, I am sorry; it is 36 weeks, yes.

1296. And that is £48.8m. for 3 million?—Yes.

1297. Then you take the actual receipts in those periods of £48,012,000, you adjust those first of all for the



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[Continued]

abnormal weather at the figure of £0.5m., and then I see you adjust it further by way of addition of £0.1m. for reduction of decreased mileage?—Yes.

1298. Where do you get that figure from?—That is a calculated figure. It is known from Transport Statistics that the mileage run in the first 9 months of the year was approximately 5 million miles less than that of the previous year. The figures which have since been given as percentages of the reduced mileage by Mr. McKenna lead in fact to the conclusion that the reduction in mileage in this period as against budget was rather more than the 5 million. However, the 5 million was the only figure which I could use. I had not had these percentages then. Applying the same ratio as the British Transport Commission apply in getting at the £0.31m., that is item D as shown at the top of 407, that is the effect on revenue of reduced mileage as between 1955 and 1954. Using the same sort of formula, one gets at £0.1m. for this period in 1954, rather above £0.1m., and indeed I think the figure should be a little higher in view of the evidence that has now been given; I am rather on the safe side there. Roughly it is about 5d. per mile. I do not know what the British Transport Commission's formula is, but that is what it works back to in a round figure.

1299. Being given, as you say, the £0.31m., the original calculation and knowing the mileage reduction that that was applied to, you could work it out for this proportionate period?—That is right.

1300. Then you add clearance, the difference between amounts provisionally included in receipts, £0.620m., and the proportionate part of year's figures £0.7m., is £0.08m.?—Yes, it is small adjustment, but it does have to be made when one is making a test of this kind. In the published figures of receipts, which published figures go to produce that £48,012,000 at the top, there is in each month an allowance for clearance. As I understand it, that does not purport to be a precise figure, and in every year indeed it gets adjusted in the later periods. But for a test like this one must of course adjust it appropriately for this period, and one finds that there is £0.08m. in that, and that should also be brought into the reckoning. That does show that as against the budget figures, up to the nearest date for which we have complete figures before the introduction of the fares increase, there was a short fall of £151,000, which is certainly not a significant figure in relation to the £48m. with which we are dealing in that exercise. One can, I think, draw this deduction here, that during those 9 months of 1954 there was no indication that the volume of traffic, weather conditions apart, had really fallen short of the Commission's expectation for that period.

1301. Which expectation included a 1 per cent. discount for the fall itself?—For the year as a whole, yes.

1302. And for the year as a whole, and is it fair and right to say at this stage, in view of some part of Mr. McKenna's evidence as to certain points of time in the lapse of the year, that this is an exercise that certainly looks at those 9-monthly periods as a whole and in the aggregate?—Yes, certainly. I have on a previous occasion put forward certain criticisms of the budget, and indeed I am using here the budget which I have previously criticised. The point to keep in mind, I think, is that the longer period you take for the budget figures the more reliable they are; if you take them just on one month they are no use at all. If you take them for three months they are more useful, but still rather crude. If you take them for 8 or 9 months they should be much more reliable.

1303. Then your second test is to take 1954 as a whole?—Yes.

1304. And compare it with the British Transport Commission's estimate for that year. The estimate for 1954 at the pre-1954 Scheme of fares was £70.6m., and we have been told that the actual receipts for the year were £70.7m.?—Yes.

1305. There you make the same two initial adjustments for the strike losses and the weather losses as before?—Yes.

1306. This time the effect on revenue of reduced mileages was approximately £0.24m.?—Yes.

1307. Is that again a figure produced on the same calculation as the £0.1m. in the other exercise?—That is so, and is again confirmed by the percentages which have been given today.

1308. That gives you a total of actual receipts as adjusted for the year of £71.17m., which for the purposes of comparison with the estimate must of course, be discounted by the amount whatever it be which accrued from the increased fares?—Yes, here of course one goes round in a sort of statistical circle if one is not careful, because all this is directed to showing that the £0.7m. may be correct or is correct, or is as near as no matter correct, and yet for the purpose of applying such a test as this one has to take into account the £0.7m.

1309. So it may not advance the argument any further, but that is the result of applying these figures in that way?—That is so. If Test No. 2 stood alone I think it would be worthless, but not in conjunction with Test No. 1.

1310. Taking at any rate that £0.7m., that gives you a resultant figure of £70.47m. to be compared with their estimate of £70.6m.?—That is so.

1311. Where the difference is even more negligible than in their first exercise?—Yes, but it is cruder than the first one.

1312. (President): What the second test comes to surely is if £700,000 be a right figure and their estimate was a correct estimate, then actuality did live up to those two?—In isolation, Sir, that is all it would do. I do not know if the copy handed to you has the note on the back of it.

1313. I have not turned it over?—It is there.

(President): I see.

1314. (Mr. Geoffrey Lawrence): You say Test No. 2 depends on the accuracy of the figures of £700,000, if this were taken as in British Transport Commission calculations at £1m., being the proportionate part of estimated yield for the 1954 Scheme increases of £3.7m., the resultant short-fall would appear as, I think it is £430,000, or so it was said this morning?—No, I think it is £430,000.

(President): £430,000 if you deduct £1m.

1315. (Mr. Geoffrey Lawrence): Yes. Then you add: "But as Test No. 1 shows, the amount of decline in 36 weeks preceding increased fares was only £151,000"?—Yes.

1316. And there your comment is "It is very unlikely therefore that the decline in the 97 days after the fares increased would be £280,000 except as may be due to initial public reaction of the fares increases". That, of course, is the difficulty, is it not?—Yes. If in the 36 weeks preceding the increase there was no significant decline, it is extremely improbable that there was any decline in the last 12 weeks of any moment other than that which might be associated with the fares increase, or of course it could have happened if we had had a very bad period of fog, for instance, lasting over say six weeks; but of course we did not.

1317. That takes those two tests in by way of parenthesis and comment upon your first test whereby you deduced a figure of the order of £0.7m. for the actual receipts, September to December, on the new 1954 Scheme?—That is right, yes.

(Mr. Geoffrey Lawrence): Now, Sir, I shall have to go back and take Mr. Hill through his second test and that, I am afraid, involves some figures of which I thought you had been supplied with a copy, but I find you have not. I do not know whether it would be convenient if I postponed that until the morning, when you will have figures in front of you.

(Adjourned until Wednesday morning at 10.30.)

21 June, 1955]

[Continued]

**Written Statement Put In By The Corporation of Southend-on-Sea.****STATEMENT**

SUBMITTED ON BEHALF OF THE MAYOR, ALDERMEN AND BURGESSES OF THE COUNTY BOROUGH OF SOUTHEND-ON-SEA, ESSEX, TO THE COURT OF THE TRANSPORT TRIBUNAL

In accordance with the Notice lodged on their behalf on the Third day of June, 1955, the Mayor, Aldermen and Burgesses of the County Borough of Southend-on-Sea oppose this Application on the following grounds and make observations upon it as under:—

1. The Scheme is unjust and unreasonable inasmuch as the rates proposed for season tickets and early morning fares between Southend and other Stations in the Borough and London and intermediate Stations on the London, Tilbury and Southend Section of Railway Executive Lines are in excess of those proposed for similar distances on British Railways (other than London Lines).

2. If the proposed alterations are made, the anomaly created by the 1954 Scheme, namely, an increase of 2s. 0d. on the monthly season ticket rate between Southend Stations and Fenchurch Street above the rate for a similar distance on other British Railways other than London Lines, corresponding increases on other season tickets, and 2d. in excess on the early morning return rate, will still be operative.

3. Although since the hearing of the Application for the 1954 Scheme there has been an increase in wage rates of London Transport workers, which might be a ground

for increasing charges in the London Transport Executive area, it is submitted that it would be entirely unjust and inequitable that increased rates for season tickets and early morning travel on main lines between Southend-on-Sea Stations and London should operate above those for places at similar distances from London on Railway Executive Lines.

The said Mayor, Aldermen and Burgesses suggest the following variations to the Order applied for:—

As respects fares between London and intermediate stations and Southend and other stations in the Borough of Southend-on-Sea on the London, Tilbury and Southend Section of the Railway Executive Lines:—

(1) The existing rates for weekly, monthly, three-monthly and longer period season tickets should not be increased.

(2) The rates charged for early morning returns should not exceed those now in force for such tickets.

ALTERNATIVELY that the aforesaid rates should not exceed those which may be operative for similar distances on other British Railways (other than London Lines).

The said Mayor, Aldermen and Burgesses represent the interests of the inhabitants of, and visitors to, the said County Borough.

Lodged this twenty-first day of June, 1955.

(Signed) ARCHIBALD GLEN,  
Town Clerk.

Municipal Buildings,  
Clarence Road,  
Southend-on-Sea.

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[Continued

## STATEMENT OF RAILWAY FARES

S.E.T.A.C.I

	Miles	EXISTING FARES					PROPOSED FARES				
		Single	Day Return	Ordinary Return	Early Morning Return	Weekly Season	Single	Day Return	Ordinary Return	Early Morning Return	Weekly Season
		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Becontree to Upney ...	1.16	4	—	8	—	4 3	4	—	8	—	4 3
Upney to Barking ...	0.89	2	—	4	—	4 3	2	—	4	—	4 3
Bow Road to Aldgate East ...	2.14	4	—	8	—	4 6	4	—	8	—	4 6
<b>East of Bow Road</b>											
Bow Road to Becontree ...	7.04	1 1	—	2 2	1 6	11 6	1 2	—	2 4	1 8	12 3
Bow Road to Barking ...	4.98	9	—	1 6	1 1	9 0	10	—	1 8	1 3	9 9
<b>West of Bow Road</b>											
Bow Road to Richmond ...	14.80	1 9	—	3 6	2 2	17 3	1 10	—	3 8	2 5	18 0
Bow Road to Hounslow (Central) ...	17.54	1 10	—	3 8	2 3	18 0	1 11	—	3 10	2 6	18 6
Bow Road to Turnham Green ...	11.35	1 3	—	2 6	1 8	13 9	1 4	—	2 8	1 10	14 6
Bow Road to Wimbledon ...	14.09	1 9	—	3 6	2 2	16 9	1 10	—	3 8	2 5	17 3
Bow Road to Watford (Met.) ...	24.75	3 0	—	4 10	3 4	23 0	3 1	—	5 3	3 7	23 9
Bow Road to Aldgate East ...	2.14	4	—	8	—	4 6	4	—	8	—	4 6
Bow Road to Bromley ...	0.65	2	—	4	—	3 6	2	—	4	—	3 6
Bow Road to Monument ...	3.07	6	—	1 0	10	6 6	6	—	1 0	11	6 6
<b>From East of London by District Line</b>											
Upminster to Charing Cross ...	17.45	2 3	—	4 6	2 9	19 3	2 4	—	4 8	3 0	20 0
<b>From Other Suburbs</b>											
Farringdon to Ickenham ...	17.04	2 0	—	4 0	2 5	18 6	2 1	—	4 2	2 8	19 3
Aldgate to Ruislip ...	17.33	1 11	—	3 10	2 5	18 6	2 0	—	4 0	2 8	19 3
Cockfosters to Hammersmith	16.59	1 10	—	3 8	2 3	18 0	1 11	—	3 10	2 6	18 6
Ruislip to Piccadilly Circus (via South Harrow) ...	16.63	1 9	—	3 6	2 2	17 3	1 10	—	3 8	2 5	18 0
Edgware to Tooting Bec ...	16.85	1 8	—	3 4	2 2	16 6	1 9	—	3 6	2 5	17 0
Morden to Hendon Central ...	16.94	1 8	—	3 4	2 2	16 6	1 9	—	3 6	2 5	17 0
<b>From East of London by District Line</b>											
Becontree to Charing Cross ...	11.80	1 7	—	3 2	2 0	14 9	1 8	—	3 4	2 3	15 6
<b>From Other Suburbs</b>											
Cockfosters to Holborn ...	11.26	1 4	—	2 8	1 9	14 6	1 5	—	2 10	1 11	15 3
<b>From East of London by District Line</b>											
Barking to Charing Cross ...	9.75	1 3	—	2 6	1 9	13 0	1 4	—	2 8	1 11	13 9
<b>From Other Suburbs</b>											
Liverpool Street to Wembley Park	10.32	1 4	—	2 8	1 9	13 0	1 5	—	2 10	1 11	13 9
Euston Square and Harrow ...	10.32	1 6	—	3 0	1 11	13 0	1 7	—	3 2	2 1	13 9
Southgate and Leicester Square ...	9.76	1 1	—	2 2	1 6	12 3	1 2	—	2 4	1 8	13 0
White City and Liverpool Street ...	6.96	11	—	1 10	1 3	9 9	1 0	—	2 0	1 5	10 6
Morden and Goodge Street ...	10.26	1 3	—	2 6	1 8	13 0	1 4	—	2 8	1 10	13 9
Edgware and Tottenham Court Road	10.12	1 3	—	2 6	1 8	13 0	1 4	—	2 8	1 10	13 9
Elephant & Castle and Queens Park	6.84	1 0	—	2 0	1 5	10 9	1 1	—	2 2	1 7	11 3
Gants Hill to Stratford ...	4.97	9	—	1 6	1 1	9 0	10	—	1 8	1 3	9 9
Newbury Park to Mile End ...	8.19	1 1	—	2 2	1 6	12 0	1 2	—	2 4	1 8	12 9
Shenfield to Ilford ...	12.84	1 11	3 6	3 10	2 2	15 6	2 1	3 8	4 2	2 5	16 3
Brentwood to Liverpool Street ...	18.21	2 10	5 0	5 8	2 10	20 3	3 0	5 2	6 0	3 1	20 9
Romford to Chadwell Heath ...	2.40	6	—	10	—	7 3	6	—	11	—	7 9
Chadwell Heath to Liverpool Street	10.00	1 6	—	2 7	1 9	13 0	1 7	—	2 10	1 11	13 9
Romford to Ilford ...	5.02	10	—	1 1	—	9 9	11	—	1 2	—	10 6
Romford to Stratford ...	8.32	1 4	—	2 0	1 8	12 3	1 5	—	2 2	1 10	13 0
Romford to Liverpool Street ...	12.40	1 11	—	3 2	2 2	15 6	2 1	—	3 5	2 5	16 3
Romford to Brentwood ...	5.81	11	—	1 10	1 3	9 9	1 0	—	2 0	1 5	10 6
Romford to Chelmsford ...	17.38	2 8	4 0*	5 4	2 7	18 9	3 0	4 0*	5 8	2 10	19 6
Romford to Upminster ...	3.38	7	—	1 2	—	7 0	8	—	1 4	—	7 6
Romford to Southend VIC. CEN.	29.13	3 1	4 6*	6 2	3 4	22 0	3 2	4 6*	6 4	3 7	22 9
Dagenham East to Fenchurch Street	29.13	3 1	4 6*	6 2	3 4	22 6	3 2	4 6*	6 4	3 7	23 3
Dagenham East to Tower Hill	11.31	1 7	—	3 2	2 0	14 9	1 8	—	3 4	2 3	15 6
Dagenham Heathway to Fenchurch Street	11.49	1 7	—	3 2	2 0	14 9	1 8	—	3 4	2 3	15 6
Dagenham Heathway to Tower Hill	10.45	1 6	—	3 0	1 11	14 0	1 7	—	3 2	2 1	14 9
Tilbury Town to Purfleet ...	5.56	11	—	1 10	1 3	9 9	1 0	—	2 0	1 5	10 6
Tilbury Town to Dagenham Dock	10.99	1 6	—	3 0	1 11	14 0	1 7	—	3 2	2 1	14 9
Tilbury Town to Barking via Rainham or Ockendon ...	14.04	2 0	—	4 0	2 5	16 6	2 1	—	4 2	2 8	17 0
Tilbury Riverside to Purfleet ...	6.49	1 0	—	2 0	1 5	10 9	1 1	—	2 2	1 7	11 3
Tilbury Riverside to Dagenham Dock	11.91	1 7	—	3 2	2 0	14 9	1 8	—	3 4	2 3	15 6
Tilbury Riverside to Barking via Rainham or Ockendon ...	14.96	2 0	—	4 0	2 5	16 6	2 1	—	4 2	2 8	17 0
Grays to Fenchurch Street ...	19.87	2 7	—	5 2	2 11	20 9	2 8	—	5 4	3 2	21 3
Stanford-le-Hope to Tilbury Riverside ...	5.30	11	—	1 10	1 3	8 3	1 0	—	2 0	1 5	8 9
Stanford-le-Hope to Tilbury Town	5.61	11	—	1 10	1 3	9 9	1 0	—	2 0	1 5	10 6

\* Cheap Day Return.



[Continued]

### STATEMENT OF BUS FARES

Route	Journey	Miles	Present Ordinary Fare	Present Early Morning Single Fare	Proposed Ordinary Fare	Proposed Early Morning Single Fare
87	Becontree Heath to Blake's Corner ...	3-64	s. d. 7	s. d. 4	s. d. 8	s. d. 5
87	Blake's Corner to Romford Station ...	6-50	11	4	10	5
87	Becontree Heath to Romford Station ...	2-48	4	4	4	4
175	The Chequers to "Barking" Station ...	2-48	4	4	4	4
87	The Chequers to Blake's Corner ...	3-30	6	4	6	5
87	The Chequers to Rainham War Memorial ...	3-19	6	4	6	5
175	The Chequers to Blackwall Tunnel ...	2-21	4	4	4	4
175	The Chequers to Romford Station ...	7-16	11	4	10	5
175	Becontree Heath to Chequers ...	4-45	7	4	8	5
139	Becontree Heath to Eastern Avenue ...	1-99	4	4	4	4
25	Becontree Heath to Ilford Station ...	1-49	4	4	4	4
148	Heathway Station to Wood Lane (via Parsloes Park) ...	3-64	6	4	6	5
103	Dagenham East Station to Civic Centre (Dagenham) ...	0-99	2	2	2	2
103	Dagenham East Station to Romford Station ...	1-27	4	4	4	4
86	Brentwood (Yorkshire Grey) to Romford Market Place ...	3-34	7	4	8	5
693	Barking Station to Connaught Road (Ilford) ...	6-28	9	4	10	5
62	Blake's Corner to Woodward Road ...	2-16	4	4	4	4
62	Barking Blake's Corner to Goodmayes Lane ...	2-01	4	4	4	4
62A	Wood Lane to Chigwell Row ...	1-58	4	4	4	4
		5-59	9	4	10	5